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Report of the International Civil Service Commission for 2008

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Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Abbreviations

ACPAQ	Advisory Committee on Post Adjustment Questions
CCISUA	Coordinating Committee for International Staff Unions and Associations of the United Nations System
CEB/HLCM	Chief Executives Board for Coordination/High-Level Committee on Management
CEB/HR Network	Chief Executives Board for Coordination/Human Resources Network
FAO	Food and Agriculture Organization of the United Nations
FICSA	Federation of International Civil Servants' Associations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
ITU	International Telecommunication Union
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNJSPB	United Nations Joint Staff Pension Board
UNJSPF	United Nations Joint Staff Pension Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization

WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
UNWTO	World Tourism Organization
UNISERV	United Nations International Civil Servants Federation

Glossary of technical terms

Base/floor salary scale	For the Professional and higher categories of staff, a universally applicable salary scale is used in conjunction with the post adjustment system. The minimum net amounts received by staff members around the world are those given in this scale.
Broad banding	A method of providing greater flexibility to reward individual performance and contribution. The term describes the action of combining and replacing several classification levels by a single, broader classification level (called a "band"). A broad banded system is characterized by a limited number of wider bands or ranges and a bigger salary overlap between bands.
Career development	Career development is a structured approach to the matching of employees' goals and the business needs of the organization. Its purpose is to enhance the job performance of the individual, and prepare individuals to take advantage of future job opportunities. Typically, career development involves three parties: managers who provide guidance and career advice as well as ensuring that staff are provided as many professional development opportunities as possible; Human Resources departments which disseminate model typical career paths and provide learning programmes targeted at areas of organizational relevance; and staff who are individually responsible for the planning and managing of their careers and for ensuring that they remain professionally relevant by taking advantage of the developmental opportunities offered.
Comparator	Salaries and other conditions of employment of staff in the Professional and higher categories are determined in accordance with the Noblemaire principle by reference to those applicable in the civil service of the country with the highest pay levels. The United States federal civil service has been used as the comparator since the inception of the United Nations. See also "highest paid civil service" and "Noblemaire principle".
Competencies	A combination of skills, attributes and behaviours that are directly related to successful performance on the job. Core competencies are the skills, attributes and behaviours which are considered important for all staff of an organization, regardless of their function or level. For specific occupations, core competencies are supplemented by functional competencies related to respective areas of work.
Competency-related pay	A generic concept of paying employees for the development and application of essential skills, behaviours and actions which support high levels of individual, team and organizational performance (see also "Performance-related pay").
Consolidation of post adjustment	The base/floor salary scale for the Professional and higher categories is adjusted periodically to reflect increases in the comparator salary scale. This upward adjustment is made by taking a fixed amount of post adjustment and incorporating or "consolidating" it into the base/floor salary scale. If the scale is increased by consolidating 5 per cent of post adjustment, the post adjustment multiplier points at all duty stations are then reduced by 5 per cent, thus ensuring, generally, no losses or gains to

	staff. This method of implementation, referred to as "no gain/no loss", results in no change in take-home pay for staff and produces no additional costs related to salary for the organizations.
Cost-of-living differential	In net remuneration margin calculations, the remuneration of United Nations officials from the Professional and higher categories in New York is compared with their counterparts in the comparator service in Washington, D.C. As part of that comparison, the difference in cost-of-living between New York and Washington is applied to the comparator salaries to determine their "real value" in New York. The cost-of-living differential between New York and Washington is also taken into account in comparing pensionable remuneration amounts applicable to the two groups of staff mentioned above.
Dependency rate salaries	Net salaries determined for staff with a primary dependant.
Employment cost index (ECI)	Under the Federal Employees' Pay Comparability Act (FEPCA) (see below), a wage index that measures the percentage change in the average non-federal sector payroll costs between two points in time is calculated. The index, known as ECI, is based on the measurement of payroll costs across the United States. ECI is used as the basis for an across-the-board adjustment to salaries of United States federal civil service employees. Under FEPCA, United States federal civil servants can also receive a locality-based adjustment.
Designated duty stations	Staff may qualify for additional entitlements under the mobility/hardship scheme if the duty stations in which they serve meet certain predetermined criteria in terms of lack of amenities such as health care, educational facilities, or poor local conditions. Such duty stations are "designated" for the purposes of the mobility/hardship scheme, and the additional entitlements may include reimbursement of the cost of medical examinations for family members, increased boarding allowance, additional education grant travel, and a small freight allowance.
Flemming principle	The basis used for the determination of conditions of service of the General Service and other locally recruited categories of staff. Under the application of the Flemming principle, General Service conditions of employment are based on best prevailing local conditions.
General Schedule	A 15-grade salary scale in the comparator (United States) civil service, covering the majority of employees.
"H" duty stations under the mobility and hardship scheme	Headquarters locations and locations where there are no United Nations developmental or humanitarian activities or locations which are in countries which are members of the European Union.
Headquarters locations	Headquarters of the organizations participating in the United Nations common system are: Geneva, London, Madrid, Montreal, New York, Paris, Rome and Vienna. While the Universal Postal Union is headquartered at Berne (Switzerland), post adjustment and General Service salaries at Geneva are currently used for Berne.

Highest paid civil service	Under the application of the Noblemaire principle, salaries of United Nations staff in the Professional and higher categories are based on those applicable in the civil service of the country with the highest pay levels, currently the United States. See also "comparator" and "Noblemaire principle".
Locality-based pay	Under FEPCA (see above), the United States Government has established approximately 30 separate locality pay areas. The locality-pay provision of FEPCA is based on average salary levels prevailing in the local labour market. For federal civil servants in a given locality, FEPCA provides for the payment of an ECI-based increase plus a locality-pay adjustment, if appropriate, for the period 1994-2002, with a view to ensuring that federal pay is brought to within 5 per cent of the non-federal pay for the locality.
Mobility and hardship allowance	A non-pensionable allowance designed to encourage mobility between duty stations and to compensate for service at difficult locations.
Net remuneration margin	The Commission regularly carries out comparisons of the net remuneration of the United Nations staff in grades P-1 to D-2 in New York with that of the United States federal civil service employees in comparable positions in Washington, D.C. The average percentage difference in the remuneration of the two civil services, adjusted for the cost-of-living differential between New York and Washington, D.C. is the net remuneration margin.
Noblemaire principle	The basis used for the determination of conditions of service of staff in the Professional and higher categories. Under the application of the principle, salaries of the Professional category are determined by reference to those applicable in the civil service of the country with the highest pay levels. See also "Comparator" and "Highest paid civil service".
Pensionable remuneration	The amount used to determine contributions from the staff member and the organization to the United Nations Joint Staff Pension Fund (UNJSPF). Pensionable remuneration amounts are also used for the determination of pension benefits of staff members upon retirement.
Performance management	The process of optimizing performance at the level of the individual, team, unit, department and agency and linking it to organizational objectives. In its broadest sense, effective performance management is dependent on the effective and successful management of policies and programmes, planning and budgetary processes, decision-making processes, organizational structure, work organization and labour-management relations and human resources.
Performance-related pay	A generic concept involving a financial or financially measurable reward linked directly to individual, team or organizational performance, in the form of either base pay or a cash bonus payment. Terms used to describe different types of performance-related pay may vary. They include: Merit pay/performance-related pay/pay-for-performance/variable pay: these are tools tailored to relate individual base pay increases to individual results, usually through a performance appraisal scheme and a performance rating.

	Lump-sum bonus: a non-recurring cash lump sum related to the results achieved by an individual, team and/or agency or to recognize an intensive effort over a specific time period. May be pensionable or non-pensionable.
Post adjustment index	Measurement of the living costs of international staff members in the Professional and higher categories posted at a given location, compared with such costs in New York at a specific date.
Post adjustment classification	Post adjustment classification is based on the cost-of-living index for each duty station and is expressed in terms of multiplier points. For example, staff members at a duty station classified at multiplier 5 would receive a post adjustment amount equivalent to 5 per cent of net base salary as a supplement to base pay.
Push factor(s)	An action, or collection of actions, or practices, or policies which do not foster loyalty, well-being, motivation or similar traits which serve to retain staff in service, and which therefore may lead staff to consider leaving the organization.
Retention factor(s)	An action, or collection of actions, or practices, or policies aimed at fostering loyalty, well-being, motivation or similar traits which serve to retain staff in service.
Senior Executive Service (SES)	Officials of the comparator service in senior managerial positions are covered by provisions known as the Senior Executive Service Schedule.
Single rate salaries	Net salaries determined for staff without a primary dependant.
Staff assessment	Salaries of United Nations staff from all categories are expressed in gross and net terms, the difference between the two being the staff assessment. Staff assessment is a form of taxation, internal to the United Nations, and is analogous to taxes on salaries applicable in most countries.
Strategic bonuses	Recruitment, retention or relocation bonuses awarded to select staff or groups of staff, which are designed to attract potential staff, retain staff in service and relocate staff who, in the absence of such bonuses, could not be recruited, retained or relocated.
Tax abatement	In the context of dependency allowances, tax credit or relief provided to taxpayers who are responsible for the financial support of dependants (spouse, children, parents, etc.) in the tax systems of a number of countries.
Tax Equalization Fund	A fund maintained by, for example, the United Nations, that is used for reimbursing national taxes levied on United Nations income for some staff members.

Letter of transmittal

15 August 2008

Sir,

I have the honour to transmit herewith the thirty-fourth annual report of the International Civil Service Commission, prepared in accordance with article 17 of its statute.

I should be grateful if you would submit this report to the General Assembly and, as provided in article 17 of the statute, also transmit it to the governing organs of the other organizations participating in the work of the Commission, through their executive heads, and to staff representatives.

(*Signed*) Kingston P. **Rhodes**
Chairman

His Excellency
Mr. Ban Ki-moon
Secretary-General of the United Nations
New York

Summary of recommendations of the International Civil Service Commission that call for decisions by the General Assembly and the legislative organs of the other participating organizations

Paragraph reference

A. Conditions of service applicable to both categories of staff

1. Education grant: review of the methodology to determine the grant

47 The Commission decided to report to the General Assembly that: (a) it would keep under review the education grant methodology and, in the meantime, the current methodology would be maintained; (b) the issue of designated duty stations for the purposes of the education grant would be examined during the next review of the mobility and hardship scheme in 2010; and (c) the issue of representative schools would be examined before the next review of the levels of the education grant in 2010. The General Assembly may wish to take note of the Commission's decision.

2. Education grant: review of the level of the grant

62 The Commission recommends to the General Assembly that, as of the school year in progress on 1 January 2009, the education grant maxima for 10 zones (namely, Austria, Belgium, Italy, the Netherlands, Spain, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the United States dollar area outside the United States) and the flat rates and additional flat rates for boarding for all zones should be adjusted. The separate zone for Finland should be subsumed into the United States dollar area outside the United States. Special measures should be maintained for China, Indonesia and the Russian Federation and be introduced with regard to Hungary, Bulgaria and two bilingual schools in Paris.

B. Remuneration of the Professional and higher categories

1. Evolution of the United Nations/United States net remuneration margin

70 The Commission decided to report to the General Assembly that the margin between the net remuneration of United Nations staff in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2008, is estimated at 114.1.

2. Base/floor salary scale

79 The Commission recommends to the General Assembly, for approval with effect from 1 January 2009, the base/floor salary scale for the Professional and higher categories shown in annex IV to the present document.

3. Mobility/hardship scheme: review of the operation of the new scheme

94 (a) The Commission recommends to the General Assembly that a 5 per cent increase be granted for the hardship allowance, the mobility allowance, and the non-removal allowance, respectively, for implementation on 1 January 2009.

Paragraph reference	
	4. Children's and secondary dependant's allowances: review of the level
129	The Commission recommends to the General Assembly that, with effect from 1 January 2009, the revised levels of the children's allowance be set at $2,686 and the secondary dependant's allowance at $940. For those duty stations where the current levels of the allowances are above the proposed ones, transitional measures would be introduced with effect from 1 January 2009 and phased out over the next two review cycles. These transitional measures would be completely discontinued as of 1 January 2013.

Summary of recommendations of the International Civil Service Commission to the executive heads of the participating organizations

Paragraph reference	
	Conditions of service of the General Service and other locally recruited categories
	As part of its responsibilities under article 12, paragraph 1, of its statute, the International Civil Service Commission conducted the survey of best prevailing conditions of employment for:
140 and annex V	(a) The General Service and related categories of staff at Geneva and recommended the resulting salary scale and dependency allowances to the Secretary-General of the United Nations and the executive heads of other Geneva-based organizations;
141 and annex VI	(b) The General Service and related categories in Vienna and recommended the resulting salary scale and dependency allowances to the Director-General of the International Atomic Energy Agency and the executive heads of other Vienna-based organizations.

Summary of financial implications of the decisions and recommendations of the International Civil Service Commission for the United Nations and other participating organizations of the common system

Paragraph reference

A. Remuneration of the Professional and higher categories

1. Education grant: review of the level

61 The financial implications associated with the recommendations of the Commission regarding the education grant are estimated at $2.85 million per annum, system-wide.

2. Base/floor salary scale

76 The financial implications associated with the Commission's recommendation on an increase of the base/floor salary scale as shown in annex IV are estimated at approximately $0.42 million per annum, system-wide.

3. Mobility/hardship scheme: review of the operation of the new scheme

89 The financial implications of an increase of 5 per cent to the current levels of the hardship, mobility and non-removal elements were estimated at $5,796,100 per annum system-wide.

4. Children's and secondary dependant's allowances: review of the level

123 The financial implications associated with the recommendations of the Commission regarding the children's and secondary dependant's revised allowances are estimated at $9 million per annum, system-wide. This figure reflects the combined effect of the overall increase in the absolute levels of child benefit recorded in the eight headquarters locations since the last review and the cost of the changeover to the revised scheme, including transitional arrangements.

B. Remuneration of the General Service and other locally recruited categories

1. Survey of best prevailing conditions of employment at Geneva

139 The financial implications associated with the implementation of the salary scale for the General Service and related categories as well as the revised rates of dependency allowances by the Geneva-based common system organizations were estimated at $0.38 million per annum.

2. Survey of best prevailing conditions of employment in Vienna

144 The financial implications associated with the implementation of the salary scale for the General Service and related categories as well as the revised rates of dependency allowances by the Vienna-based common system organizations were estimated at $0.13 million per annum.

Paragraph reference

C. Conditions of service in the field

Hazard pay for internationally recruited staff

168 The financial implications of an increase of 5 per cent to the current level of hazard pay for internationally recruited staff assigned to hazardous duty stations (i.e., from $1,300 to $1,365 per month) were estimated at $1.2 million for the year 2009.

Chapter I
Organizational matters

A. Acceptance of the statute

1. Article 1 of the statute of the International Civil Service Commission (ICSC), approved by the General Assembly in its resolution 3357 (XXIX) of 18 December 1974, provides that:

> "The Commission shall perform its functions in respect of the United Nations and of those specialized agencies and other international organizations which participate in the United Nations common system and which accept the present statute ..."

2. To date, 13 organizations have accepted the statute of the Commission and, together with the United Nations itself, participate in the United Nations common system of salaries and allowances.[1] One other organization, although not having formally accepted the statute, participates fully in the work of the Commission.[2]

B. Membership

3. The membership of the Commission for 2008 is as follows:

Chairman

Kingston P. Rhodes (Sierra Leone)***

Vice-Chairman

Wolfgang Stöckl (Germany)**

Members

Fatih Bouayad-Agha (Algeria)*
Shamsher M. Chowdhury (Bangladesh)*
Minoru Endo (Japan)**
Guillermo Gonzalez (Argentina)***
Vladimir Morozov (Russian Federation)*
Lucretia Myers (United States of America)**
Emmanuel Oti Boateng (Ghana)***
Anita Szlazak (Canada)***
Gian Luigi Valenza (Italy)**
Gilberto C. P. Velloso (Brazil)**
Xiaochu Wang (China)*
Eugeniusz Wyzner (Poland)***
El Hassane Zahid (Morocco)*

* Term of office expires 31 December 2008.
** Term of office expires 31 December 2009.
*** Term of office expires 31 December 2010.

[1] ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMO, WIPO, IAEA, UNIDO and UNWTO.
[2] IFAD.

C. Sessions held by the Commission and questions examined

4. The Commission held two sessions in 2008, the sixty-sixth, which took place from 31 March to 11 April at the Economic Commission for Africa headquarters in Addis Ababa, and the sixty-seventh, which took place from 14 to 25 July at United Nations Headquarters, in New York.

5. At those sessions, the Commission examined issues that derived from decisions and resolutions of the General Assembly as well as from its own statute. A number of decisions and resolutions adopted by the Assembly that required action or consideration by the Commission are discussed in the present report.

D. Subsidiary body

6. In its second annual report, the Commission had reported to the General Assembly that its Advisory Committee on Post Adjustment Questions (ACPAQ) will consist of six members, including one member of the Commission, who would be ex-officio Chairman. At its sixty-sixth session, the Commission unanimously decided to appoint its Vice-Chairman, Wolfgang Stöckl (Germany), as the Chairman of ACPAQ. The other five members of the Committee are: John Astin (United Kingdom of Great Britain and Northern Ireland); Edmundo Berumen-Torres (Mexico); Youri Ivanov (Russian Federation); Akihiko Ito (Japan) and Yvonne Ngadi Gibril (Sierra Leone).

E. Programme of work of the Commission for 2009-2010

7. The programme of work of the Commission for 2009-2010 is contained in annex I.

Chapter II
Reporting and monitoring

Resolutions and decisions adopted by the General Assembly and the legislative/governing bodies of the other organizations of the common system

8. At its sixty-sixth session, ICSC considered the information provided by the organizations relating to their implementation of the decisions and recommendations made by the Commission since the issuance of its 2005 annual report. The Commission noted that its Chairman and Vice-Chairman had personally been available during informal consultations with the Fifth Committee of the General Assembly, together with the Commission secretariat, in order to further the Committee's understanding of both the position of the Commission during its deliberations and the technical background and estimated financial implications of its decisions and recommendations. While noting the progress made during the discussions, the Commission was also aware that a number of important questions were deferred to the sixty-third session of the Assembly, and it encouraged its Chairman, Vice-Chairman and secretariat to continue to assist the Committee in coming to agreement on the best possible outcome in the areas of human resources management, harmonization of conditions of service of internationally recruited common system staff serving in non-family duty stations as well as the proposal by the Secretary-General to provide retention incentives to staff of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia.

9. The Commission noted with regret that information concerning the implementation by organizations of the Commission's recommendations and decisions was provided by only 13 of the common system organizations and again instructed its secretariat to work more closely with the secretariat of the United Nations System Chief Executives Board for Coordination (CEB) with a view to obtaining outstanding data in a timely fashion for its consideration, in line with its monitoring role, as referred to in article 17 of its statute (General Assembly resolution 3357 (XXIX), annex). In this regard, the Commission expressed its gratitude for the support received from the General Assembly, which again, in adopting its resolution 62/227, on the United Nations common system, renewed its request to the Secretary-General, in his capacity as Chairman of CEB, to ensure that all the organizations in the common system assist the Commission in completing its work by providing it with the information it required in a timely manner.

10. In its resolution 61/239, the General Assembly requested the Commission to consider the effectiveness and impact of recruitment and retention measures, especially at difficult duty stations. The Commission's response to this request may be found in paragraphs 149 to 164 below.

Chapter III
Conditions of service applicable to both categories of staff

A. Review of the pay and benefits system: assessment of the pilot study of broad banding/pay-for-performance

11. As part of its review of the pay and benefits system, the Commission, at its sixty-sixth session, had before it reports containing a comprehensive evaluation of the broad-banding/pay-for-performance pilot in five volunteer organizations that had been carried out by its secretariat. The Commission considered the next steps and examples of innovative practices on performance management in the United Nations system and in other entities outside the common system, such as national public services and the private sector. The evaluation concluded that for various reasons the pilot project had not met the Commission's criteria for success and had lost direction in all of the pilot organizations. The reasons for lack of progress included an apparent gap between expectations and reality, lack of involvement by all stakeholders, lack of consistency in management focus, competing priorities and lack of the promised support.

12. None of the piloting organizations had progressed to the point where performance payments were actually made, and in all cases the pilot organizations were still at various stages of developing what the Commission had already defined at the launch of the pilot in 2004 as the absolute prerequisite for introducing performance pay: a credible performance evaluation system that enjoyed the confidence of both staff and management. Above all, the lack of a credible basis for distinguishing among the performances of individuals was the main reason that the project had lost its direction.

13. Other obstacles to the successful implementation of the pilot project included lack of sustained support and resources for the pilot; the fact that none of the piloting organizations had reached the level of preparedness for organizational transformation which broad banding/pay-for-performance implied; the lack of sustained commitment on the part of management in all but one of the pilot organizations, due mainly to changes in the management cadre; the fact that a number of competing performance-improving initiatives were launched simultaneously in the majority of the piloting organizations.

14. The Commission also considered a proposal by the United Nations Development Programme (UNDP) relating to conditions of service applicable to resident coordinators of the United Nations system.

Discussion in the Commission

15. The Commission also took note of the experiences of other institutions and public service organizations that had implemented pay-for-performance systems and concluded that there was strong evidence that performance pay in itself did not necessarily lead to stronger motivation and better performance. On the other hand, the Commission also noted from the experience of others that the derived effects of performance-related pay had been found to have a positive effect on individual and collective performance.

16. The piloting organizations reported that they had derived some benefits from the pilot project, in particular in the form of improved performance management systems and improved internal dialogue on performance-related matters.

17. The World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD) each made a presentation on their experiences as piloting organizations, and UNDP presented its proposal relating to conditions of service for resident coordinators. The WFP presentation concluded that for the pilot to have been successful, the need for staff buy-in from the outset was equally important as the existence of a good performance management system, a competency framework, and 360-degree feedback.

18. The Commission noted that while the pilot project had not led to the expected outcome of enabling the organizations to introduce performance pay, it had nevertheless advanced the agenda of improving overall performance in the common system. It also noted that, while steps had been taken towards piloting pay-for-performance, none of the piloting organizations had reached the stage of introducing broad banding, and that therefore the assessment had not been able to provide any insights into whether a broad-banding system might work in the United Nations system.

19. The Commission discussed the fact that managing performance was a complex issue that went beyond the question of pay. Equally important were a range of other measures related to general conditions of service, the work environment, organizational values and culture, and providing an enabling environment for the staff of the common system. While it would be up to the organizations themselves to address many of those concerns, the Commission undertook to develop a framework for the development of performance-enhancing measures that organizations could take, bearing in mind previous decisions and recommendations of the Commission. Within that framework, organizations might identify organization-specific concerns and formulate suggested remedies, which they would then present to the Commission in the form of written proposals. The Commission would consider such proposals to evaluate any possible common-system implications. The Commission would make recommendations on those areas to the General Assembly, as appropriate. In that way, the Commission would be encouraging innovative thinking while enhancing coherence in the common system.

20. The representative of the Federation of International Civil Servants' Associations (FICSA) introduced a conference room paper, in which it reiterated its objections to the concept of pay-for-performance, including research on the subject showing that pay-for-performance tended to be more divisive than performance-enhancing. FICSA stressed the importance of having clear definitions of the terms performance management, performance appraisal, and pay-for-performance since they are different. The representative of FICSA further reiterated that training of managers and staff was crucial to any effective system. The representative of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) noted that the pilot had not achieved its objectives, and believed that the absence of a credible performance management system and the inadequate involvement of staff representatives in the course of the project development were the main factors behind that result. The representative of CCISUA cautioned against giving organizations freedom to experiment with pay-for-performance without clear guidelines and staff participation. The representatives

of the United Nations International Civil Servants Federation (UNISERV), FICSA and CCISUA expressed concerns with regard to the UNDP proposal.

21. The CEB/Human Resources (HR) Network took note of the evaluation of the pilot and, while regretting that the project had lost momentum in all piloting organizations, recognized that valuable lessons had been learned, and that there had been some positive outcomes. The Network was of the view that pilot organizations that wished to pursue parts of the project should be able to do so with technical assistance from the Commission secretariat. The Network wished to pursue flexible approaches, and requested the Commission secretariat to further develop the ideas and initiatives stemming from the workshops on pay-for-performance held in New York and Vienna in January 2008 and those set out in the document entitled "Performance management and evaluation: innovative practices".

22. The Commission identified two primary reasons why the pilot project had not been successful: the lack of sustained interest and support by management, and the lack of a credible performance management system. A contributing factor had been the difficulty in attracting volunteer organizations from the outset. It was clear from the assessment and the presentations by organizations that none of the pilot organizations wished to continue with the pilot project.

23. Taking all considerations into account, the Commission concluded that it would serve little purpose to continue with the broad-banding/pay-for-performance pilot as originally conceived. Rather, the Commission would revisit the elements of the pilot that had been successful in and of themselves or that had shown a possible way forward, and would move towards providing guidance and oversight within the envisaged performance management framework. Such a framework would take into consideration the work previously done by the Commission, including its recommendations on the use of monetary and non-monetary incentives and bonus payments, and should be presented to the General Assembly for its consideration and approval, as appropriate.

24. The Commission recalled that, while its role in performance management was to make recommendations on performance-related issues to organizations, the development and implementation of those recommendations, including the management and application of performance appraisal systems, was the responsibility of the organizations themselves. Once performance management was implemented, the role of the Commission would be to monitor it and report to the General Assembly on its progress.

Decision of the Commission

25. The Commission decided:

(a) To discontinue the broad-banding/pay-for-performance pilot as it was originally conceived;

(b) To request its secretariat to issue updated guidelines on the granting of steps based on merit;

(c) To request its secretariat to provide for its consideration by the sixty-seventh session, an updated performance management framework, taking into account the previous work of the Commission, that could serve as a guide to organizations.

B. Update on performance management

26. During its review of the broad-banding/pay-for-performance pilot, the Commission had requested its secretariat to issue updated guidelines on the granting of steps based on merit and to provide, for its consideration at its sixty-seventh session (July 2008), an updated performance management framework that could serve as a guide to organizations, taking into account the previous work of the Commission.

27. A concept paper outlining the approach to be taken in developing this framework was prepared for the Commission's approval and guidance. In that document it was recalled that since the mid-1980s the Commission had been giving extensive attention to performance management and performance appraisal systems as a tool to motivate and develop staff. It was proposed that the development of the framework should be a collaborative effort that would take into consideration the experiences in the organizations of the common system with the introduction of results-based budgeting and management, balanced scorecards and/or other performance measurement tools. It should be flexible, enabling each organization to develop its own scheme within the broader framework. The framework would be designed as a conceptual and communication tool for human resources professionals to help managers within their organizations in understanding their responsibilities in an integrated way which would give full consideration to individual performance, engagement and motivation as an asset critical to the shaping of the organization's strategy and the achievement of its mission.

Discussion in the Commission

28. The CEB/HR Network welcomed the document and the idea of working with the Commission's secretariat in the development and successful implementation of the proposed framework. The spokesperson pointed to a number of improved systems which had been introduced in recent years. They included performance agreements between executive heads and their respective management cadres and results-based budgeting and management. She pointed out that the challenge for most organizations was the matter of incentives to support a results-based culture. The organizations had been briefed on the performance appraisal and development system operational in the United Nations Population Fund (UNFPA) and each had decided to take into account the good practices and lessons learned from its implementation in UNFPA.

29. Speaking on behalf of the three staff federations, the representative of CCISUA expressed their appreciation for the continuing work on the issue of performance management, which they considered to be of critical importance to staff and which they saw as being grounded in a holistic view of human resources management, beginning with effective transparent recruitment and selection systems, taking into account career development of staff and linked to a system of results-based performance feedback and performance management. In the opinion of the representative, there was a need for solid, transparent, innovative performance management systems to play a key role in instances in which staff members who did not perform well, or underperformed, created difficulties for committed staff members.

30. The spokesperson said that any such system needed to be grounded in ongoing dialogue between each staff member and his/her manager. That would require real and substantial change of the management culture in many common system organizations. He emphasized that in seeking to achieve the strategic priorities and goals of the organization, efforts should be made to balance career aspirations of staff members, and concrete career development plans should be developed for the broad cross-section of staff, which should be effectively implemented and tracked.

31. The staff representatives advocated for a system that would reflect "good faith" in rewarding and motivating positive performance and take a "developmental" approach when addressing underperformance. Should disciplinary measures, separation or non-renewal of contracts be contemplated, it should be ensured that the system guaranteed the highest levels of transparency, objectivity and equity and the principle of due process.

32. The representative of FICSA emphasized the need for assessment of the overall performance of organizations and that the discussions should be held jointly with the administration and staff representatives to ensure that the staff remained engaged as part of the team with respect to the ongoing dialogue.

33. The Commission was not fully convinced that a performance management framework, however designed, would be successfully implemented within the organizations, given the previous work done by the Commission in that area and which had yet to be implemented within the organizations. Members observed that the guidelines which were developed in 1997 were still valid but, without strong commitment and leadership from executive management, culture change would not be effected in organizations. Questions were raised concerning the possibility of developing one performance management framework to respond to the needs of all organizations given the multicultural nature of the United Nations. There were also questions concerning the availability of resources within the secretariat to support the plan outlined in the document. The discussion which ensued focused on the need for increased dialogue between managers and staff and the role that executive heads and governing bodies must play to bring about change in organizations. It was emphasized that executive heads should be held accountable for successfully creating a results-based culture and implementing performance management systems within their organizations.

34. It was felt that the Commission should play an active role through its Chairman in bringing to the attention of the High-level Committee on Management (HLCM) and heads of agencies the urgency and importance of that area of management. The staff associations also had a role to play in changing the culture through communication with their membership.

Decisions of the Commission

35. The Commission decided:

(a) To keep performance management under continuing review;

(b) To request its secretariat to upgrade the performance management guidelines set out by the Commission in 1997, with emphasis on the culture and environment and the leadership that must come from the top level of each organization;

(c) To emphasize the role of the leadership at the top level in sustaining such a culture and environment;

(d) To request its secretariat to monitor developments in the organizations in this regard and provide, as far as possible, value-added assistance to organizations in the form of studies and surveys to be shared among organizations, workshops and other forums for discussions and the sharing of best practices.

C. Education grant

1. Review of the methodology for determining the grant

36. In its 2007 annual report, ICSC informed the General Assembly that it would continue its review of the education grant methodology. For this purpose, the Commission, in line with its revised working methods, established a working group comprising members of the Commission, representatives of the organizations and the staff associations as well as of the CEB and ICSC secretariats.

37. The working group had two meetings in New York in the intervening period: from 10 to 14 December 2007 and from 9 to 12 June 2008. The first meeting resulted in a proposal to replace the present system, which is based on a reimbursement rate of 75 per cent of actual tuition and expenses except for boarding, which could be covered by a flat rate payment, with an alternative approach. Under this alternative approach the reimbursement percentage under the grant would decline as the education-related costs increased. The second working group meeting modified the original proposal to accommodate various concerns raised by the Commission and its interlocutors with respect to the recommended revised system.

38. A revised education grant methodology, developed by the working group on the basis of considerations of simplification, equity and cost neutrality, would have the following major features:

(a) All admissible expenses would be reimbursed under a global multi-bracket declining scale. The brackets would replace the multiple zones and would be adjusted on the basis of the dollar-based movement of a combination of the education component of the consumer price index (CPI) (85 per cent weight) and the total CPI (15 per cent weight) at the eight headquarters locations;

(b) The admissible expenses reimbursable under the declining scale would be reduced from a list of about 40 items to the following:

(i) Tuition (including mother tongue);

(ii) Boarding;

(iii) Transportation (primary and secondary education only);

(iv) Registration and admission fees;

(v) Books required by the curriculum;

(vi) Computer usage and lab fees;

(vii) Examination fees.

(c) The boarding component would be taken at actual cost, except when not certified by the educational institution, in which case a global boarding flat rate would be used under the declining scale;

(d) One-time capital assessment fees would be treated separately from the overall scheme, with the 75/25 per cent expense-sharing arrangement between the organization and the staff member;

(e) The designated duty station status for the purposes of the education grant would be discontinued.

39. While agreeing on most of the parameters of the proposed system, the working group could not reach consensus on the specific bracket levels and percentage reimbursement rates of the declining-scale model. Two models demonstrating different reimbursement rates were therefore placed before the Commission, one recommended by Commission members participating in the working group and the other recommended by participants representing administrations and staff. The disagreement centred on the ceiling to be established as a maximum allowable expense under the grant.

Discussion in the Commission

40. In their opening statement, the HR Network stated that they were not in a position to support either of the two options. They believed that neither would ensure equity of treatment of staff, simplicity or cost-neutrality. In addition, the introduction of a declining scale would be difficult to explain to the staff and would require additional implementation costs. There was also concern that either of the two options would negatively impact a significant number of staff upon conversion to the new system. Furthermore, with the removal of the additional reimbursement for designated duty stations, the organizations felt that mobility would not be facilitated as those duty stations would be less attractive to staff with families. Staff would be forced to choose among lower-cost institutions, as reimbursement rates would be higher at the lower expense levels, and the organizations would be rendered less competitive. For these reasons, the HR Network decided to submit to the Commission a new proposal which had the support of all the organizations and the staff representatives.

41. The HR Network and the staff representatives proposal was to maintain the current system with some refinements: the 16 zones would be reduced to 5; the threshold for the percentage of claims above the ceiling triggering the review of the level of the grant would be increased from 5 to 10 per cent. The HR Network also agreed with the working group's proposals relating to the list of admissible expenses and to the adjustment of the grant levels based on the movement of the CPI.

42. Members of the Commission noted a change in the position of the representatives of the organizations and the staff who had both participated in the working group meetings. Although some concerns had been voiced by those representatives at the time, these concerns did not seem to justify a complete rejection of the two options presented to the Commission, including their own proposal. It was all the more surprising that most of the issues raised had been accommodated by the working group's revised proposal. It was also recalled that a similar situation had arisen after the previous working group meeting in December

2007 when the Commission was informed that the organizations and the staff no longer supported the consensus of the first working group.

43. Overall, members of the Commission did not find the HR Network's proposal far-reaching enough to fully address the goals of the education grant methodology review. The system would largely remain unchanged, with only a few relatively minor modifications.

44. The Commission recalled that the General Assembly, in its resolution 59/268, requested the Commission, in reviewing and modernizing the system of grants and allowances, to attach priority to enhancing transparency and administrative simplicity. In addition, the Commission highlighted the need for simplification, equity and cost-neutrality. It had to be acknowledged that despite the apparent consensus reached at the working group meetings on some proposals, both the organizations and the staff representatives no longer thought that all these goals were being achieved. The Commission therefore concluded that further studies were still needed in order to move forward with the modernization of the methodology for determining the grant.

45. The Commission then turned to the concept of designated duty stations for purposes of the education grant and considered that the matter would be more appropriately dealt with under the mobility and hardship scheme.

46. In addition, it came to light during the Commission's review of the grant levels, that the information related to representative schools might not be the most reliable method to track tuition movements. For this reason, the issue of representative schools should be reviewed at the earliest opportunity.

Decisions of the Commission

47. The Commission decided to report to the General Assembly that:

(a) It would keep under review the education grant methodology and, in the meantime, the current methodology would be maintained;

(b) The issue of designated duty stations for the purposes of the education grant would be examined before the next review of the mobility and hardship scheme in 2010;

(c) The issue of representative schools would be examined before the next review of the levels of the education grant in 2010.

2. Review of the level of the grant

48. For its consideration of this item, the Commission had before it a proposal by the HR Network for the review of the education grant levels in the 16 individual countries/currency areas in which the grant was administered. The review was based on the application of the methodology approved by the Commission in 1992 and modified in 1997. Expenditure data on 13,696 claims for the academic year 2006/07 had been analysed for this purpose.

49. Under the methodology, the grant levels are adjusted on a biennial basis subject to two trigger points:

(a) Actual trigger point: 5 per cent of total cases at all levels of education. For countries/currency areas with few education-related expense claims, the

maximum admissible expenditure adjustment mechanism was triggered only if a minimum of five claims exceeded the existing maximum admissible expenditure limit;

(b) Fee index: actual movement of school fees (average of representative schools) in the period since the last review, taking into account fees for the forthcoming academic year, subject to a minimum threshold of 5 per cent.

50. The methodology also provides that the normal and additional flat rates payable to eligible claimants at regular and designated duty stations, respectively, should be adjusted according to movements in consumer price indices between biennial reviews.

Discussion in the Commission

51. When introducing its proposals, the representative of the HR Network pointed out that, despite some difficulties encountered, a more complete database of education grant claims had been analysed during the current review as a result of the use of a web-based data-collection system that had been made available to all organizations for validation and uploading of data. The ongoing refinement of the process had also allowed potential errors to be identified at an early stage, thus leaving time for data to be corrected and resubmitted.

52. Three major proposals were before the Commission under the present review:

(a) Adjustment of the grant levels for some zones/currency areas;

(b) Adjustment of flat rates and additional flat rates for boarding for all current zones;

(c) Requests for special measures.

53. With respect to the grant level adjustment, the HR Network identified 10 countries/currency areas where both trigger points (costs and fees) had been reached: Austria, Belgium, Italy, Netherlands, Spain, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States dollar in the United States of America and United States dollar outside the United States. While in determining the required adjustment levels the primary consideration in the recommendations made to the Commission had been to bring 95 per cent of claims below the ceiling, some pragmatism was also applied in order to take account of other factors, including cost considerations.

54. Proposals with respect to the adjustment of the boarding flat rates were based on the movement of the CPI in each zone, as provided by the secretariat of the Commission. For the United States dollar outside the United States area, the average CPI movement in the remaining 15 zones was applied.

55. With regard to special measures, the HR Network requested that the Commission:

(a) Maintain the special measures currently in effect in China, Indonesia and the Russian Federation, as a significant number of claims in those countries still remained above the maximum level established for the United States dollar outside the United States area;

(b) Introduce the special measures for:

(i) Hungary, where the high fee levels at international schools in Budapest was an increasingly serious problem, following the posting there of significant numbers of staff from the Food and Agriculture Organization of the United Nations (FAO) and the Office of the United Nations High Commissioner for Refugees (UNHCR) as from January 2008;

(ii) Bulgaria, where over 45 per cent of claims were above the existing grant ceiling;

(iii) The Helsinki International School, since it is the only choice for non-Finnish-speaking children and charges fees of up to €16,000, well above the current maximum admissible expenditure level;

(iv) Two bilingual schools in Paris (Victor Hugo and Jeanine Manuel) offering instruction in French and English; while the French curriculum is heavily subsidized by the French Government, the English curriculum is not, which results in tuition fees of up to €13,700 per annum, well above the maximum education grant level for France.

56. Given the small number of children of United Nations staff attending the Helsinki school and the two bilingual schools in Paris, the proposed measures were not expected to represent a significant increase in the overall cost of the education grant.

57. The staff representatives supported the proposal by the HR Network and stressed the importance of the education grant as part of the total package of staff entitlements, aimed at supporting an effective mobility policy throughout the common system. They stressed the importance of ensuring the equitable treatment of United Nations staff through equal access for their children to quality education, irrespective of the duty station to which they were assigned. Given that countries falling under the "designated duty stations" and "special measures" status were often those facing problems related to attracting staff, the importance of these measures was further emphasized.

58. In addressing the HR Network proposals, the Commission reviewed both the movement of school fees and the percentages of claims over the maximum admissible expenses. It recalled that the movement of fees had been given little weight in adjusting the levels on several previous occasions and therefore considered that this factor should be given greater weight in the present review. In line with this, the Commission believed that some of the proposals before it should be revised.

59. The Commission reviewed the list of representative schools used to track the movement of fees. Having analysed the actual statistics of the schools attended by the children of United Nations staff at certain locations, the Commission established that some of the schools included on the list were no longer representative in terms of attendance by children of United Nations staff. The Commission therefore came to the conclusion that the list of representative schools, including the criteria for the selection of the schools and updating the school list, needed to be reviewed. Alternative approaches to determining the movement of tuition fees should also be explored, such as the use of the movement of the educational component of the CPI.

60. The Commission agreed to most of the other HR Network proposals relating to the adjustment of the boarding flat rates and the implementation of the special measures. However, with respect to the Helsinki case, it noted that there were only 13 claims in the Finland euro area. Given this very small number of claims, the Commission considered it impractical to continue maintaining it as a separate education grant area. The preferred solution was therefore to include Finland in the United States dollar area outside the United States. The higher ceiling in that zone would also allow the issue of the Helsinki International School to be resolved without introducing further exceptions to the grant operation. On the other hand, some members also believed that in the future the feasibility of establishing separate zones for locations such as Canada, with over 700 education grant claims in the 2006/07 academic year should be explored.

61. The Commission noted that the system-wide cost implications of the review of the education grant levels were estimated at $2,850,000 per annum.

Decision of the Commission

62. The Commission decided to recommend to the General Assembly that:

(a) For Austria, Belgium, Italy, the Netherlands, Spain, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the United States dollar area outside the United States, the maximum admissible expenses and the maximum education grant be adjusted as shown in annex II, table 1, to the present report;

(b) For Denmark, France (subject to subpara. (f) below), Germany, Ireland and Japan, the maximum admissible expenses and the maximum education grant remain at the current levels shown in annex II, table 2, to the present report;

(c) The separate zone for Finland be discontinued and the education grant claims for that country be included in the United States dollar area outside the United States;

(d) The special measures for China, Indonesia and the Russian Federation be maintained;

(e) Special measures be introduced for Bulgaria and Hungary, which would allow organizations to reimburse 75 per cent of actual expenses up to and not exceeding the maximum expenditure level in force for the United States dollar inside the United States;

(f) In addition to the list of six institutions in France currently eligible for special measures, a separate maximum admissible expense level equal to that applicable to the United States dollar inside the United States of America be established for two more schools in France: École Active Bilingue Victor Hugo and École Active Bilingue Jeanine Manuel;

(g) The flat rates for boarding, taken into account within the maximum admissible educational expenses, and the additional amounts for reimbursement of boarding costs over and above the maximum grant payable to staff members at designated duty stations, be revised as shown in annex II, table 3, to the present report;

(h) The amount of the special education grant for each disabled child be equal to 100 per cent of the revised amounts of the maximum allowable expenses for the regular grant;

(i) All of the above measures be applicable as from the school year in progress on 1 January 2009.

Chapter IV

Conditions of service of the Professional and higher categories

A. Evolution of the United Nations/United States net remuneration margin

63. Under a standing mandate assigned to it by the General Assembly, ICSC continued to review the relationship between the net remuneration of the United Nations staff in the Professional and higher categories in New York and that of United States federal civil service employees in comparable positions in Washington, D.C. (hereinafter referred to as "the margin"). For that purpose, the Commission annually tracks changes occurring in the remuneration levels of United Nations staff in the Professional and higher categories and of officials in comparable positions of the United States federal civil service, as well as other changes relevant to the comparison, including rates of taxation used for netting down comparator salaries and the cost-of-living relationship between New York and Washington.

64. For calendar year 2008, the total increase for federal employees in the Washington area, taking into account the adjustment of both base pay and the locality rate, was 4.49 per cent effective 1 January 2008. The increases for the other related pay systems included in the margin calculations ranged from none to 4.6 per cent.

65. Also relevant to the comparison were:

(a) A revision of taxation used for netting down comparator salaries which resulted in a small reduction in income taxes for all taxpayers in the Washington metropolitan area;

(b) A biennial revision of the cost-of-living differential between New York and Washington, which resulted in a reduction of the differential from 114.6 to 114.3;

(c) A projected revision, as from August 2008, of the post adjustment multiplier for New York to an estimated level of 69.6.

66. Based on the above factors, the margin for 2008 was estimated at 114.1, with its five-year average (2004-2008) standing at 112.8.

Discussion in the Commission

67. The HR Network and staff representatives expressed concern that the five-year average margin had consistently remained below the desirable midpoint of 115 since 1997 but that had triggered a reaction from the General Assembly only once since that time.

68. The Commission referred to the practice whereby the Chairman of the Commission updates the margin forecast at the time of the introduction of the annual report to the General Assembly on the basis of the actual post adjustment multiplier for New York. In that context, it noted that the margin forecast was based on the CEB staff statistics as at 31 December 2006. It considered that, should later staff statistics as at 31 December 2007 become available, the Chairman's update of

the margin update should also take that into account and inform the members of the Commission accordingly.

69. The HR Network and staff representatives noted once again with concern that the average margin level for the past five years remained below the desirable level of 115.

Decision of the Commission

70. Based on the information provided, the Commission decided to report to the General Assembly that the margin between the net remuneration of United Nations staff in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2008, was estimated at 114.1. It also decided to draw to the attention of the Assembly the fact that the average margin level for the past five years (2004-2008) had been below the desirable midpoint of 115, currently standing at 112.8.

71. The details of the comparison of average net remuneration of United Nations staff in the Professional and higher categories in New York and United States officials in Washington by equivalent grades (margin for calendar year 2008) are presented in annex III to the present report.

72. The Commission also requested its Chairman to update that estimate on the basis of the actual post adjustment multiplier for New York and 31 December 2007 CEB staff statistics, if available.

B. Base/floor salary scale

73. The concept of the base/floor salary scale was introduced, with effect from 1 July 1990, by the General Assembly in section I.H of its resolution 44/198. The scale was set by reference to the General Schedule salary scale of the comparator civil service. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials at the midpoint of the scale (P-4, step VI, at the dependency rate), with the corresponding salaries of their counterparts in the United States federal civil service (step VI in grades GS-13 and GS-14, with a weight of 33 per cent and 67 per cent, respectively). The adjustments are implemented by means of the standard method of consolidating post adjustment points into base/floor salary, namely, by increasing base salary while commensurately reducing post adjustment levels.

74. The Commission was informed that as from 1 January 2008, the General Schedule of the comparator had increased by 2.5 per cent on a gross basis. Combined with the tax changes recorded at the federal level in Washington, D.C., and in the States of Virginia and Maryland, the above-mentioned increase in gross comparator salaries translated into a net increase of 2.33 per cent as compared with the 2007 levels.

75. While generally neutral in terms of salary-related costs, the adjustment could have a financial impact on duty stations where the post adjustment is too low to absorb a base salary increase. At such locations, the new base salary scale serves as a floor for net remuneration. For 2008, however, no duty stations were expected to have a post adjustment that would otherwise fall below the new base/floor salary scale, and therefore no financial implications were projected under this item.

76. As separation payments are linked to the base/floor salary scale but not to post adjustment, the increase in the base/floor scale has financial implications. The system-wide financial implications were estimated at approximately $0.4 million per annum as follows:

(United States dollars)

(a)	For duty stations with a low post adjustment where net salaries would otherwise fall below the level of the new base/floor[a]	—
(b)	In respect of the scale of separation payments	420 500
	Total annual financial implications	**420 500**

[a] There are currently no duty stations that would otherwise fall below the level of the new base/floor.

Discussion in the Commission

77. The HR Network as well as the representatives of the staff associations supported the proposal to adjust the base/floor salary scale.

78. The Commission noted the information provided and agreed with the proposed adjustment of the base/floor salary scale effective 1 January 2009.

Decision of the Commission

79. The Commission decided to recommend to the General Assembly that the current base/floor salary scale for the Professional and higher categories be increased by 2.33 per cent through the standard consolidation procedures, namely, by increasing base salary while commensurately reducing post adjustment levels, with effect from 1 January 2009. The proposed base/floor salary scale resulting from the adjustment referred to in paragraph 78 above is shown in annex IV to the present report.

C. Mobility/hardship scheme: review of the operation of the new scheme

80. In accordance with the decisions of the Commission, as approved by the General Assembly in its resolution 61/239, the amounts payable under the new mobility and hardship scheme that came into effect on 1 January 2007 are to be reviewed every three years. As the amounts were originally set in 2005 on the expectation that they would come into effect on 1 January 2006, any revised amounts would need to come into effect on 1 January 2009. In addition, the Commission examined some implementation issues reported by organizations when introducing the new scheme in 2007. The Commission established a working group to look into these matters.

81. Under the approved methodology (General Assembly resolution 61/239, sect. I.A.3, para. 3), the amounts payable under the revised mobility and hardship scheme are to be revised every three years by reference to three factors: (a) the average movement of net base salary plus post adjustment in the eight headquarters locations of the United Nations system; (b) the movement of the out-of-area index

used for post adjustment based on inflation factors in 21 countries; and (c) the movement of the base/floor salary scale.

82. The working group considered that since, of the three adjustment factors, the movement of the base/floor salary scale was the most stable over time, the amounts should be adjusted with primary reference to this factor but taking into account the movement of the other two factors. The working group was cognizant of the fact that the movement of the base/floor salary scale had been the adjustment mechanism under the previous system, but noted that the main concern of the General Assembly had at the time been the automaticity of increases through the direct link between the amounts and the movement of the base/floor salary scale. That automaticity no longer existed.

83. An examination of the data showed that all three factors individually and collectively indicated that an increase in the amounts was warranted: using the movement of net base salary plus post adjustment at headquarters duty stations indicated an increase of 10.72 per cent, while using the movement of the out-of-area index indicated an increase of 13.88 per cent, and when using the movement of the base/floor salary scale an increase of 4.57 per cent was indicated.

84. The working group also considered the question of the demonstrated impact of the new scheme to improve mobility. The question was whether the scheme worked as intended. The working group concluded that it was too early to say, as the new scheme had been in place for only a year or so, but agreed that that would need to be examined during the next periodic review of the scheme. The next review of the amounts payable is planned for 2011 for implementation in 2012. Any methodological changes to the scheme would, however, need to be submitted to the General Assembly in 2010 in order to be agreed upon before the 2011 review of the levels. Given the wide variation among them, the adjustment indicators should be included in the 2010 methodological review.

85. As the new mobility and hardship scheme was approved late in December 2006, many organizations had reported difficulty in implementing the scheme on 1 January 2007, because of the need to make the necessary changes to their payroll systems and to inform staff of the changes. Most organizations were therefore obliged to implement the new scheme retroactively, but all organizations reported that they had implemented the new scheme during the course of 2007. Early in 2007, organizations reported to the Commission that their understanding of the new scheme was that adjustments to the flat amounts would be made whenever the personal situation of a staff member changed. However, that did not seem to be in strict accordance with the wording of annex II to the report of the Commission to the General Assembly for 2005 (A/60/30 and Corr.1), which on the subject of implementation parameters stated that "flat rate payments are set at the time of the assignment to the duty station and no changes in the amount are made for the duration of the entitlement, unless the Commission adjusts the amount of the entitlement". The matter was first discussed during the sixty-fifth session of the Commission in Geneva in the summer of 2007, and it was then decided that the matter would be given priority in the Commission's programme of work for 2008. On examining the matter further, the working group noted that the wording of the text approved by the General Assembly seemed to preclude a reflection of changes to the hardship classification levels of duty stations, although that was not the original intention.

86. Meanwhile, most organizations were developing their information technology and payroll systems on the assumption that changes in personal grade and dependency status would continue to be made as in the past. It was noted that the administrative costs involved in reprogramming the payroll systems to conform to the new provisions would be high, although only a small number of staff would be affected on an annual basis. Most payroll systems store only staff members' current status (grade, family situation), as required for monthly pay purposes. In order to implement the mobility and hardship changes according to the strict wording of the decision of the Commission and the General Assembly resolution, the systems would need to store status at the time that the staff were assigned to the duty station and not take into consideration promotion, within-grade increment or changes in dependency status during the assignment. Current payroll systems are not able to handle two different types of personal status for a staff member, for example, single rate for base salary but dependency rate for mobility and hardship entitlement, or vice versa. The working group, which had been established to make recommendations on both the revisions to the amounts and the implementation issues, had also recommended that the provisions contained in annex II to the 2005 annual report of the Commission (sect. A, item 9; sect. B, item 6; sect. C, item 7) be revised to permit the personal status of a staff member, as well as changes to the hardship classification levels of duty stations, to continue to be reflected in the mobility, hardship and non-removal amounts.

Discussion in the Commission

87. The HR Network and representatives of the three staff federations expressed the view that, for the sake of the consistency of the logic of the pay system — which in all other regards reflects the personal status of an individual every month when the payroll is run — it would be important to reflect that status also in the mobility and hardship amounts.

88. Both the HR Network and representatives of the staff federations asked that consideration be given in the future to a flexible approach in exceptional circumstances for a relaxing of the five-year rule which stipulates the discontinuation of the mobility and the non-removal elements after five years at the same duty station. The staff federations highlighted an inherent danger, which exists when a change is made to the methodology for establishing an entitlement before the organizations have put in place mechanisms to guard against unintended consequences of the new scheme. In this case, if an organization does not effectively facilitate mobility, many staff members become "stuck" in their duty stations, unable to move and eventually losing the entitlement, contradicting the strategic intention of the scheme.

89. With regard to the adjustment of the level, the Commission concurred with the recommendation of the working group that, of the three adjustment factors, the movement of the base/floor salary was the most stable over time and should be given the highest weighting in adjusting the amounts payable, and noting that the other two indicators clearly showed a higher trend, the Commission also agreed with the working group's recommendation to round the lowest of the three from 4.57 per cent to 5 per cent. Based on the 2008 classification levels, the estimated cost implications of a 5 per cent increase amounted to an additional $5,796,100 per annum. It was further noted that, the working group's recommendation took into

account the fact that, notwithstanding the recommended 5 per cent increase, there was an overall saving compared to what the old scheme would have cost.

90. The Commission debated whether the scheme's intended incentive for staff to be mobile was the allowance itself, or the amount of the allowance, and reiterated that the scheme should be considered a strategic tool to achieve organizational objectives. After a number of issues were clarified, the Commission stressed the need for a more clearly defined and less ambiguous set of implementation clauses.

91. The Commission debated whether or not the scheme was meeting the purposes for which it was designed, and identified a number of issues which would need to be examined during the next review of the methodology in 2010. The majority of members were satisfied that pending such a review, the scheme was basically sound for the time being.

92. Some members did not share the view that the allowance should maintain some linkage to the salary scale. They believed the allowance should serve as an incentive for staff to be geographically mobile. In their view, increasing the allowance when the salary is increased because of promotion to the P-4 or D-1 levels, and when a staff member moves between the dependency and single rate of the salary scale would not be an incentive for mobility because the move had already taken place. Further, in this age of modern computers, they could not accept the organizations' argument that it was too difficult or expensive to re-programme the computers to pay a flat amount. In their view the organizations had not correctly implemented the system, had made unauthorized payments and were now asking the Commission to recommend the General Assembly revise their earlier decision to make legitimate the organizations' current practice. Their position was that the General Assembly had acted prudently and in accordance with their stated priorities of administrative simplicity and transparency when it approved the scheme in January 2007 as recommended by the Commission in its report for 2005 (A/60/30 and Corr.1). Therefore, they did not join the majority in recommending the changes.

93. The majority of Commission members shared the view that the structure of the revised mobility and hardship scheme, with the changes proposed by the working group, was acceptable.

Decision of the Commission

94. The Commission decided:

(a) To recommend that a 5 per cent increase be granted for the hardship allowance, the mobility allowance and the non-removal allowance for implementation on 1 January 2009;

(b) To request its secretariat to suggest options for alternative adjustment factors or weightings for establishing the level of future amounts, for timely consideration before the methodological review planned for 2010;

(c) To recommend that, with effect from 1 January 2009 the amounts of the mobility, hardship and non-removal elements continue to be adjusted according to changes in the personal status of the staff member or in the hardship classification of the duty station, as they were under the previous scheme, in the following circumstances only:

(i) When the staff member changes duty station;

(ii) When the hardship classification of a staff member's current duty station changes;

(iii) When a staff member has a change in dependency status from single to dependency, or from dependency to single;

(iv) When a staff member is promoted from P-3 or equivalent to P-4 or equivalent, and from P-5 or equivalent to D-1 or equivalent;

(v) During periods of special leave or separation.

(d) To include among factors for consideration during the 2010 review of the scheme:

(i) An overall evaluation of the scheme and its operation to determine whether it continues to achieve its purpose and intent;

(ii) An examination of the effectiveness and impact of the revised scheme on mobility;

(iii) The rationale for payment of a mobility allowance in category H and A duty stations;

(iv) A review of the relativities between the amounts of the grade-level groupings in order to ensure that the mobility of more senior staff, in particular, is adequately incentivized;

(v) An examination of the need for a revision of the five-year ceiling on the payment of the mobility allowance;

(vi) A re-examination of the three adjustment factors, and any weighting of them or their replacements.

D. Review of gender balance in the United Nations common system

95. Under its mandate from the General Assembly to periodically review the representation of women in the organizations of the United Nations common system, the Commission requested its secretariat to provide a report on the latest progress at its sixty-seventh session (July 2008) while continuing to monitor future progress in achieving gender balance in the organizations of the United Nations common system every two years (see A/61/30, para. 112).

96. While noting with disappointment the insufficient progress made with regard to the representation of women in the organizations of the United Nations common system, and in particular their significant underrepresentation at senior levels, the General Assembly in its resolution 61/239, urged the Commission to continue to make recommendations on practical steps that should be taken to improve the representation of women in the organizations of the United Nations common system.

97. The report submitted by the secretariat included staffing data on current composition, recruitment, promotion, separation and retirement by gender and level as well as data on distribution of staff members by gender and region. The scope of the review extended to international staff holding an appointment of one year or more in the Professional and higher categories in the organizations of the United Nations common system during the monitoring cycle from 1 January 2005 to

31 December 2006. In addition, the report analysed available gender-sensitive policies and measures for recruitment, promotion, retention (work/life policies), gender awareness, including policies on harassment, and monitoring and accountability that support a work environment conducive to achieving gender balance in the organizations. The report also updated information on gender targets, progress towards reaching those targets, focal points and women's groups based on the information provided by the organizations.

Discussion in the Commission

98. The United Nations Special Adviser on Gender Issues and the Advancement of Women and the United Nations Children's Fund Acting Special Adviser on Gender and Diversity were invited to share with the Commission current developments as well as the challenges in achieving the 50/50 gender goal. The Special Adviser on Gender Issues expressed her concern that, although the legislative and governing bodies had set the 50/50 gender goal some time earlier, the organizations had not yet been able to meet that goal. In that regard, she informed the Commission that her office had organized an Expert Group Meeting in 2007 to discuss the challenges in achieving gender balance in the United Nations system. The group, which consisted of experts from the public and private sectors, proposed three possible actions as immediate remedies: review existing policies for their effectiveness; use positive measures or special measures with a time limit; and ensure accountability at the top. Further, she pointed out the critical role of the Commission in engaging the executive heads of the organizations in order to explore the underlying reasons that were hampering achievement of the 50/50 gender goal.

99. The UNICEF Acting Special Adviser on Gender and Diversity informed the Commission that, in accordance with the request of the Executive Board of UNICEF, a study entitled "Gender parity in senior management at UNICEF" was conducted in 2005, to address the issues related to gender parity and to achieve the United Nations system-wide goal of parity by 2010. Based on statistical data, in-depth interviews and focus group discussions as well as exit surveys, the study found that several complex interlocking phenomena underlie the shortcomings in gender parity. They included work culture, management style and micro-inequities, such as unconscious attitudes, stereotypes, unequal treatment, and others. The solutions suggested in the study were advocacy, partnership and empowerment to achieve the desired result.

100. The HR Network noted that some progress had been made in achieving the goal of 50/50 gender balance at all staffing levels. However, it recognized that there was still a long way to go in achieving an acceptable gender balance, in particular at the senior and decision-making levels, i.e., D-1 level and above. The representatives of the three staff federations, FICSA, CCISUA and UNISERV, noted that the progress made so far to achieve gender balance in the organizations of the United Nations common system was still unsatisfactory and also expressed their concern regarding the regional imbalance in the distribution of women. As practical measures to improve the representation of women in the organizations, CCISUA suggested that attention be paid to the benefits structure; spousal employment; work-life balance issues; the difficulty in moving from the General Service category to the Professional category; women who leave the organization and then wish to return; and the lack of support to single parents.

101. The Commission expressed its appreciation for the document submitted by its secretariat, which provided very useful data and analysis. In reviewing the data and information, the Commission expressed its disappointment at the overall progress made with regard to the representation of women in the organizations of the United Nations common system, and in particular the negligible improvements made at the D-1 level and above. Several Commissioners, however, noted that some progress had been made and that should be recognized. The Commission felt that not enough consideration had been given by the organizations to its previous recommendations presented in the 2006 report (A/61/30).

102. Members of the Commission emphasized the important role of focal points for gender issues in advocating and promoting gender balance as well as in formulating appropriate gender plans and strategies for the recruitment, promotion and retention of qualified women, and therefore, stressed that they should be designated at a senior level to provide the needed leadership. Further, the Commission considered that the most practical measures in achieving gender balance would be to integrate a gender perspective in all human resources policies in all areas, including selection, recruitment, promotion, retention (work/life policies), gender awareness, and monitoring and accountability, and to set realistic and achievable annual gender targets at the divisional, departmental and organizational levels.

103. Concerns were expressed about the high number of women separating from organizations before reaching retirement age while the percentage of women recruited further decreased. In that regard, the Commission recognized the need for more detailed study by the organizations to assess the pattern of separation and to determine the root causes for the increasing trend of separations of female staff from the organizations; in particular to know whether these separations were policy driven or due to personal circumstances. The Commission was of the opinion that it was important to institute a mandatory exit interview process, as a valuable staff retention tool, to assist identifying and understanding the reasons for staff separations and, subsequently, to formulate and implement effective retention strategies in the organizations of the common system. In this connection, the Commission considered that, as a first step, a well-structured questionnaire should be designed by its secretariat in collaboration with the organizations and staff bodies.

104. With regard to the distribution of women by region of origin, Commissioners also expressed their concern over the existing imbalance in the representation of women among regions. Women from Western Europe and North America constituted more than half of the population of Professional women (55.5 per cent), while the number of Professional women from Africa, Asia, Eastern Europe, Latin America and Caribbean combined represented only 44.4 per cent overall (the remaining 0.1 per cent of women were stateless or from a non-member State). In that regard, the Commission held the view that there should be more cooperation from the Member States, especially the Member States from the regions with low representation of women, in disseminating information on vacancies and application procedures to female nationals and also to propose qualified women candidates from a broad range of occupations, especially for posts at the senior and mid-levels.

105. Even though almost all organizations had implemented a number of gender-sensitive policies and measures to improve the representation of women, it seemed that those policies had not yielded the expected results towards achieving the 50/50

gender goal owing to the current disconnect between official policies and actual implementation of those policies. Therefore, the Commission recognized the need for organizations to make greater efforts in enforcing existing policies effectively with appropriate monitoring systems. The Commission also took note of a few innovative policies, measures and tools introduced by some organizations for recruitment, retention and accountability and monitoring. Particular mention was made on incorporating gender targets in the Senior Managers' performance compact in 2008 by the United Nations, mandatory exit interviews introduced by UNICEF since 2007, gender audits by the International Labour Organization and gender/diversity scorecards used by UNDP as best practices to be shared with all organizations.

106. In general, the Commission was of the view that it was time to focus on serious action plans in the form of feasible short-term special measures while considering the specific nature of each organization. Some Commissioners were in favour of setting a time frame, for example, the year 2015, to achieve gender balance in the common system in line with the time frame set for the Millennium Development Goals, and introducing radical measures for recruitment and promotion of women to organizations where women were underrepresented and also to recruit from underrepresented regions. The Commission was in agreement that those special measures should not compromise the professionalism and competence of staff. On the other hand, it considered that those special measures should be implemented, in conformity with Article 101, paragraph 3, and Chapter III, Article 8, of the Charter of the United Nations, to eliminate existing barriers such as perceptions, stereotypes, attitudes and organizational cultures that impede attracting, recruiting and retaining qualified women to the organizations of the United Nations common system. In this connection, some Commissioners stressed the need for equity, and therefore cautioned that gender balance problems should not be solved by introducing any discriminatory measures.

107. The Commission emphasized the importance of appropriate monitoring measures and monitoring bodies for checks and balances, periodical auditing, monitoring and reporting to accelerate the pace of improvement of the status of women in the United Nations common system. The Commission, therefore, believed that it was imperative to have in place effective checks and balances on the accountability of programme managers with respect to gender targets, especially with regard to the manner in which they implement and make their recruitment, placement, promotion and mobility decisions. In this respect, the Commission stressed that managers should be held accountable to the organization for achieving established gender targets and goals through an effective performance appraisal system. The necessity of annually reviewing progress and updating annual gender targets was also emphasized during the discussion.

108. The Commission was in agreement that it would be impossible to make any significant progress in achieving the goal of 50/50 gender balance in the near future without the full support and commitment of the management of the organizations at the highest level. Hence, the Commission was of the view that CEB should consider including the issue of gender balance in its agenda once a year so that the executive heads of the organizations would have an opportunity to review the progress made in achieving the goal of 50/50 gender distribution and also to share best practices among organizations. In order to intensify its efforts towards achieving gender balance in the common system, the Commission also requested its Chairman to

write to the executive heads of organizations about the current status in achieving gender balance in their respective organizations and also to call their attention to the recommendations of the Commission presented in the present report to address the gender imbalance in staffing.

Decisions of the Commission

109. The Commission decided:

(a) To express serious concern that the goal of 50/50 gender balance, especially at the D-1 level and above, remained unmet with negligible improvements;

(b) To note with disappointment that many organizations have not implemented its previous recommendations presented in its 2006 report (A/61/30, para. 112) and to reiterate those recommendations, which included the following:

(i) Urge the organizations that have not yet done so to designate a senior-level focal point for gender issues to provide leadership in formulating appropriate plans and strategies for achieving gender balance, including responsive workforce and succession planning to cater for retirements;

(ii) Urge those organizations that have not yet done so to set realistic annual gender goals for their organizations and to conduct annual reviews to assess progress towards those goals;

(iii) Encourage the organizations to hold managers accountable through their annual performance appraisal for achieving established gender goals;

(iv) Encourage organizations to focus on strategies for retaining women at mid-level Professional grades;

(c) Urge organizations to consider granting authority to selection/promotion review bodies to overrule selection decisions when a qualified man is selected over an equally qualified woman, as a special measure until such time that the 50/50 gender goal is met in the organization at all levels;

(d) Take leadership in instituting systematically designed mandatory exit interviews in all organizations, and therefore, request its secretariat, in collaboration with the representatives of organizations and staff bodies, to develop a questionnaire for exit interviews to be used across the common system;

(e) Request its secretariat to explore the feasibility of establishing an inter-agency roster of qualified women to be available to organizations of the United Nations common system;

(f) Urge organizations to enforce existing gender balance policies and measures;

(g) Continue to monitor future progress in achieving gender balance in the organizations of the United Nations common system every two years and request its secretariat to provide a report on this issue at its seventy-first session (July 2010), including a status report on the implementation of its recommendations presented in the present report.

E. Children's and secondary dependant's allowances: review of the methodology

110. At its sixty-sixth session, the Commission had before it a secretariat document prepared in response to the Commission's request to review the methodology for the children's and secondary dependant's allowances and develop proposals aimed at simplifying and improving the fairness of the system. The document described the evolution and current arrangements with regard to the children's and secondary dependant's allowances and identified issues for review by the Commission. It also contained proposals for modifying some elements of the scheme with a view to making the system more reflective of national trends in social protection for children.

111. Two options for setting and adjusting the children's allowance were proposed:

(a) Global United States dollar flat rate set as the average amount of child benefits (legislated payments combined with tax abatements) at the eight headquarters duty stations weighted by the number of staff at those locations;

(b) Weighted average percentage of total child benefits at the eight headquarters duty stations in relation to the P-4, step VI, net remuneration at those locations.

112. The secretariat also developed a revised local currency denomination scheme that would correct the flaws of the present system and would replace it should protection against exchange-rate fluctuations be found necessary.

113. With regard to the secondary dependant's allowance, the secretariat, considering the constant relationship between child and secondary dependant's allowances over the last 13 years, proposed to establish a uniform percentage relationship between the two allowances.

Discussion in the Commission

114. Organizations, staff representatives and Commission members generally agreed that the present methodology of tracking only the percentage movements of child benefits at the eight headquarters duty stations, rather than absolute levels of the changes, did not adequately reflect the outside trends in national child assistance measures. Furthermore, under the present methodology, percentage movements could not be calculated in situations such as that in Italy under the new social legislation, in which the child benefit is reintroduced after its complete phase-out in the previous review. They therefore favoured a change in the present approach to setting and adjusting the level of the children's allowance.

115. While recognizing both pros and cons in the two proposed options, the organizations and staff representatives preferred the second option, namely, the setting of the child allowance as a percentage of the P-4, step VI, net remuneration as a means to implicitly take into account the differences in cost of living and exchange rates between New York and other duty stations. They also favoured introducing transitional arrangements for those staff who would be negatively affected by the review.

116. While the second option gained some support among the Commission members, most of them were in favour of the first option, seeing it as a fairer and

simpler approach. It was noted that the children's allowance was originally conceived as a social global flat-rate benefit. In addition, it was recalled that although staff salaries were usually protected from exchange-rate fluctuations and inflation, this protection was rarely extended to allowances. On the other hand, the second option would introduce a direct linkage with salary, which the General Assembly consistently opposed as a measure jeopardizing the cost control of any scheme. That option could also result in moving the level of the allowance from the actual national reference points, as their adjustment would proceed at different paces. It could also create inequity among various duty stations, as it would favour those with higher post adjustment multipliers. The Commission was also of the view that the introduction of a flat amount for the payment of such an allowance would be relatively simple for the staff to understand, for the organizations to administer and for the Commission to monitor.

117. The Commission saw no need to maintain the present local currency denomination scheme, in particular because the United States dollar-denominated flat amount would be converted to local currency, thereby eliminating the negative impact of exchange-rate fluctuation on the amount of the allowance until the next review.

118. Some members of the Commission noted that, irrespective of the approach adopted, some transitional measures would need to be introduced as a means of phasing out the current scheme and to protect some staff against the reduced levels of the allowances that were likely to result from the implementation of the alternative approach at certain duty stations. Others felt that transitional measures were unnecessary when the amount involved was so small.

Decisions of the Commission

119. The Commission decided to inform the General Assembly of the following decisions:

(a) The children's allowance should be established as a global flat-rate amount calculated as the average of the United States dollar amounts of child benefits at the eight headquarters duty stations weighted by the number of staff at those locations;

(b) At the time of its implementation, the United States dollar amount of the allowance would be converted to local currency using the official United Nations exchange rate and would remain unchanged until the next biennial review;

(c) The flat amount would be recalculated on the same basis at the time of every subsequent review;

(d) The secondary dependant's allowance should be established at 35 per cent of the proposed children's allowance;

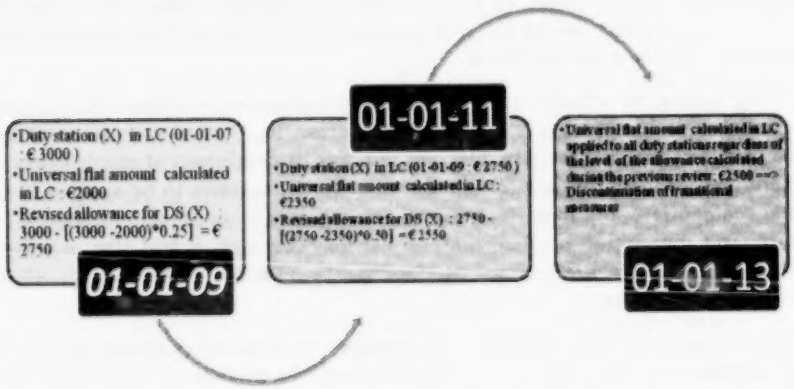
(e) As a transitional measure, where, at the time of implementation, the revised flat-rate allowance was lower than the one currently in effect, the allowance payable to currently eligible staff would be equal to the higher rate reduced by 25 per cent of the difference between the two rates; if, during the next review of the allowance, that rate remained above the newly revised flat rate, a further reduction equal to 50 per cent of the difference would be applied. The transitional measures

will come into effect as of 1 January 2009 and will be discontinued as of 1 January 2013.

F. Children's and secondary dependant's allowances: review of the level

120. In accordance with the revised methodology to determine the level of the children's allowance, approved by the Commission at its sixty-sixth session (see para. 119 above), the global United States dollar flat-rate amount should be established by reference to the average level of child benefits (tax abatements and social legislation payments) at the eight headquarters duty stations, weighted by the number of staff at those locations. The secondary dependant's allowance was set at 35 per cent of the children's allowance. For hard currency locations, these amounts would be converted to local currency using the official United Nations operational rate of exchange as at the month of promulgation and would remain unchanged until the next biennial review.

121. In conjunction with the introduction of the new approach and in order to protect staff at those duty stations where the revised amounts would be lower than the present ones, the Commission had agreed to recommend the implementation of transitional arrangements. The illustration below shows the phase-out procedure of the current rates over the next two review periods.


•Duty station (X) in LC (01-01-07 : € 3000)
•Universal flat amount calculated in LC : €2000
•Revised allowance for DS (X) : 3000 - [(3000 -2000)*0.25] = € 2750
01-01-09
01-01-11
•Duty station (X) in LC (01-01-09 : € 2750)
•Universal flat amount calculated in LC: €2350
•Revised allowance for DS (X) : 2750 - [(2750 -2350)*0.50] = € 2550
•Universal flat amount calculated in LC applied to all duty stations regardless of the level of the allowance calculated during the previous review: €2500 ==> Discontinuation of transitional measures
01-01-13

Abbreviations: LC: local currency; DS: duty station.

122. Based on information describing the latest changes in the tax and social legislation at the income level of P-4, step VI, which had been recorded at all headquarters locations, the Commission examined the reasons behind the changes. Tax abatements and payments made under the social legislation with respect to dependent children had increased in most headquarters locations since the last review of the level. On the basis of this latest information, the revised children's allowance was calculated at $2,686, to be implemented as of 1 January 2009. The secondary dependant's allowance was established at 35 per cent of the children's allowance, i.e., at $940 per year.

123. The financial implications of the introduction of the new scheme were estimated at $9 million per annum, of which approximately $6 million related to the adjustment of the child benefit and $3 million to the transitional arrangements.

Discussion in the Commission

124. The HR Network was concerned about the negative impact that the introduction of the revised levels of the child and secondary dependant's allowances would have on staff morale at some duty stations. While acknowledging that the transitional measures were expected to continue until the end of 2012, they were seen as complicated to administer and not easy for the staff to understand. The Network therefore submitted an alternative proposal for transitional measures, which provided that, in countries where the current allowances were above the revised flat rate by more than 10 per cent, the latter rates would apply to newly eligible staff only, while the staff already in receipt of the allowance would continue to receive it at the old rate until the end of their eligibility period or until the revised rate reached or exceeded the old level. Those countries included Austria, Germany, Japan, the Netherlands and Switzerland. It was pointed out that the procedure had been applied when revised dependency allowances, lower than the ones in effect, had been introduced for the General Service category and, to be consistent, the Commission should apply it in the current case as well.

125. FICSA, CCISUA and UNISERV were also concerned about the proposed reduction of the allowances at certain locations following the introduction of the new methodology. In that connection, they supported, as a minimum, the alternative transitional measures proposed by the Network as a means to phase in the revised approach and to protect the levels of the allowances for those staff members who were already eligible to receive them.

126. While noting the difference between the approaches to the General Service and Professional staff in applying transitional measures, the Commission stressed that the two categories were distinctly different in terms of conditions of employment. It was therefore not inappropriate for somewhat different regimes to be applied to the different categories, be they transitional arrangements or other measures. In addition, the Commission recalled that, on earlier occasions, it had also expressed doubts about the "grandfathering" of dependency allowances in respect of the General Service category.

127. The Commission was provided with statistics relating to the changeover to the revised dependency allowances. It was informed, in particular, that, most duty stations would in fact benefit from an increase in the allowances, and that out of a total of 193 duty stations, only 7 would require any transitional arrangements. For those locations, the difference between the current rates and the amounts under the transitional measures did not generally exceed $250 per year or $20 per month. This suggested that the transitional arrangements, as originally proposed, were adequate. Two Geneva-based organizations, WHO and WIPO, did not agree with the Commission's assessment and informed them of their intention to request their governing bodies to review the issue of the transitional arrangements decided upon, as outlined in paragraph 121 above.

128. The Commission recalled that, at its sixty-sixth session, it had already decided on a new methodology, after having conducted an extensive overview of its history and evolution and having analysed in detail its operation and inherent flaws, as well

as possible solutions to address the problems identified. At the same session, the Commission had also heeded the request of the organizations and staff that transitional measures be introduced to protect the levels of the allowances for staff already in receipt of those allowances, and a general consensus had been reached among all participants on the specific mechanism for those arrangements. As the methodology and the transitional measures had already been approved at the previous session, the current consideration should be focused primarily on revision of the levels of the allowances, and the Commission therefore saw no reason for reopening further discussions on the methodology or the transitional measures at the current stage. In this context, the Commission agreed to recommend the revised levels of the children's and secondary dependant's allowances, as proposed by its secretariat.

Decisions in the Commission

129. The Commission decided to recommend to the General Assembly that, as of 1 January 2009:

(a) The children's allowance should be set as a global flat-rate amount of $2,686 per annum and the disabled children's allowance should be double that amount, i.e., $5,372 per annum;

(b) The secondary dependant's allowance should be set at $940 per annum;

(c) At hard currency locations, the United States dollar amount of the allowance, as established in subparagraphs (a) and (b) above, should be converted to local currency using the official United Nations rate of exchange, as at the date of promulgation, and should remain unchanged until the next biennial review;

(d) As a transitional measure, where, at the time of implementation, the revised flat-rate allowance was lower than the one currently in effect, the allowance payable to currently eligible staff would be equal to the higher rate reduced by 25 per cent of the difference between the two rates. If that transitional rate remained above the one set as of 1 January 2011, a further reduction equal to 50 per cent of the difference between the transitional rates set on 1 January 2009 and the rate of the allowance set for 1 January 2011 would be applied. Such transitional measures would be completely discontinued as of 1 January 2013;

(e) The dependency allowances should be reduced by the amount of any direct payments received by staff from a Government in respect of dependants.

G. Post adjustment matters

1. Report of the Advisory Committee on Post Adjustment Questions on its thirtieth session

130. Under article 11 of its statute, ICSC continued to keep under review the operation of the post adjustment system and, in that context, considered the report of Advisory Committee on Post Adjustment Questions on the work of its thirtieth session.

131. At its sixty-fifth session, the Commission had requested the Committee to undertake a number of methodological studies pertaining to the 2010 round of place-to-place surveys, including the simplification of the post adjustment index

structure by reducing the number of basic headings, the use of hedonic regression techniques for laptop computers and a cost-of-living measurement methodology involving real-time comparisons with the base of the post adjustment system, New York. The Committee also reviewed the results of an out-of-area survey, conducted by the secretariat, aimed at a possible revision of the list of countries used in the calculation of the out-of-area index, as well as an assessment of the extent to which the Internet can be used as a source of price data in cost-of-living surveys.

132. At the request of the Commission, the Committee also reviewed two issues not directly related to the post adjustment system and thus fell beyond the usual scope of the Committee's work: a proposed template for improving the transparency and readability of the biennial report on an external data provider's study of the cost-of-living differential between New York and Washington, D.C., and a model developed by the secretariat to estimate the financial implications of possible changes to the education grant. Finally, the Committee considered two issues not included in the agenda for the thirtieth session but nevertheless relevant to the preparations for the next round of surveys: the mid-round housing surveys to be conducted by the secretariat at headquarters duty stations in 2008, with the objective of updating the rental subsidy thresholds for these duty stations; and a possible revision of the current list of organic/biological products to be priced during cost-of-living surveys.

Discussion in the Commission

133. The representative of the CEB/HR Network took careful note of the information contained in the report and expressed appreciation to members of the ACPAQ and to the Commission secretariat for their work. As 10 organizations had participated fully in the session, the Network was fully aware of the proposals in the report, and its representatives concurred with the conclusions reached by the Committee, as well as its recommendations. Furthermore, they considered the conduct of cost-of-living surveys a joint responsibility of the Commission secretariat and human resource managers in organizations and recognized the need to improve communication with staff on the objectives of surveys in order to improve staff participation. In this connection, they requested the Commission secretariat to provide more user-friendly tools and instructions that human resource managers could use to sensitize the staff at large about the impact of staff participation on the results of cost-of-living surveys.

134. Participants endorsed the continuing efforts by the secretariat to reduce the number of basic headings in the index structure, adding that this was consistent with the trend in similar organizations, and would not only lead to higher response rates in cost-of-living surveys, but would also help ensure better quality in the entire survey process. Furthermore, participants agreed that the full-scale application of hedonic regression techniques was not practicable in the context of post adjustment index calculations and that the proposed methodology based on real-time comparisons with New York was a preferable approach to dealing with the perennial problem of lack of comparability of electronic and other high-technology products whose quality and price change rapidly over time, for all the relative merits of this approach described in the report. They welcomed the results of the out-of-area survey conducted by the secretariat, which led to a new list of 26 countries to be used in the calculation of the out-of-area index, and a new method of calculation based on the use of survey weights. Furthermore, they expressed full support for the Committee's recommendation for increased use of the Internet as a source of price

data in group I countries, based on the results of the survey of Internet purchases conducted by the secretariat in conjunction with the aforementioned out-of-area survey.

135. Regarding the biennial report on an external data provider's study of the cost-of-living differential between Washington, D.C., and New York, participants endorsed the Committee's recommendations in respect of the proposed new template for the report. The participants also endorsed the proposed model for estimating financial implications of possible changes to the education grant. Finally, participants expressed support for the secretariat's plans to conduct housing surveys at headquarters duty stations for the purpose of updating rental subsidy thresholds, and also to collect price data on organic/biological products, expanding the list to include all items in the foods and beverages category.

Decision of the Commission

136. The Commission decided:

(a) To endorse the recommendations of the Advisory Committee in respect of the proposed simplifications of the post adjustment index structure, reducing the number of basic headings from 104 to 84;

(b) To endorse the recommendation of the Advisory Committee that, for the 2010 round of surveys, the secretariat should not use hedonic regression techniques to adjust the prices of electronic and other high-technology products, but should keep abreast of developments in this area;

(c) To authorize the Commission secretariat to apply the new cost-of-living measurement methodology based on real-time comparisons with New York for the affected products, starting with the 2010 round of cost-of-living surveys;

(d) To endorse the recommendations of the Advisory Committee in respect of the increased use of the Internet as a source of price data at group I duty stations where local outlets have websites, and to request the secretariat to continue its research on the use of the Internet as a source of price data;

(e) To endorse the recommendations of the Advisory Committee in respect of the proposed methodology for calculating the out-of-area index based on a new list of 26 countries and using survey weights, as well as the proposed procedure for revising the survey weights and the list of countries over time;

(f) To endorse the revised template of the biennial report of the data provider's report on its study of the cost-of-living differential between Washington, D.C., and New York, and to request the Committee to review the structure of the 2008 report at its next session;

(g) To approve the Advisory Committee's recommendation to use the cost estimation models developed by the secretariat to estimate the financial implications of possible changes to the education grant;

(h) To authorize the secretariat to conduct the proposed housing surveys at headquarters duty stations in 2008, for the purpose of updating rental subsidy thresholds at those duty stations;

(i) To endorse the recommendations of the Advisory Committee for the secretariat to expand the list of organic/biological products to be priced in the next round of surveys to include all foods and beverages.

Chapter V

Conditions of service of the General Service and other locally recruited categories

A. Survey of best prevailing conditions of employment at Geneva

137. In February 2008, the Commission completed and approved by correspondence the results of a survey of best prevailing conditions of employment at Geneva, with March 2007 as the reference month.

138. The overlap of the highest salary point of the revised General Service scale, GS-7, step 12, with net remuneration of Professional staff at Geneva (CHF 117,940 or $96,672, at the March 2007 United Nations operational rate of exchange of CHF 1.22 per $1) was at the P-3, step VII level (single rate). This overlap had decreased since the previous survey at Geneva in 2002 (P-4, step I).

139. As the recommended salary scale was 1.81 per cent lower than the scale in effect, no financial implications related to its implementation are expected. The implications related to the revision of the rates of dependency allowances are estimated at CHF 460,000, or approximately $380,000 per annum.

140. In accordance with the Commission's earlier decision, the percentage resulting from the General Service survey would also be applied to adjust the salary scale of the other locally recruited category at Geneva — the Language Teachers. The salary scales for the General Service and the Language Teachers categories as well as the revised levels of dependency allowances recommended to the executive heads of the Geneva-based organizations as at the date of its promulgation is reproduced in annex V to the present report.

B. Survey of best prevailing conditions of employment in Vienna

141. In accordance with the approved methodology, the Commission conducted a survey of best prevailing conditions of employment for the General Service category of staff in Vienna, with November 2007 as the reference month. The salary scale resulting from the survey and recommended to the executive heads of the Vienna-based organizations as at the date of its promulgation is reproduced in annex VI to the present report.

142. As can be seen in the recommended salary scale, the annual net salary at the highest point, GS-7, step 12, is €66,174, or $95,352, at the November 2007 United Nations operational rate of exchange of $1.44 per €1. This amount falls between the net remuneration (net base salary plus post adjustment) of Professional staff at the P-3, step V, and P-3, step VI, levels, at the single rate. The Commission noted that this overlap had increased since the previous survey in Vienna, in 2002, when it was between P-3, step II, and P-3, step III.

143. In addition to the new salary scale, the Commission recommended, as from the date of their promulgation, revised rates for dependency allowances determined on the basis of tax abatements, legislative payments and the surveyed employer-specific payments.

144. As the recommended salary scale is 1.57 per cent lower than the current scale, no financial implications related to its implementation are expected. The implications related to the revision of the rates of dependency allowances are estimated at €90,270, or approximately $129,990 per annum.

C. Review of the methodology for surveys of best prevailing conditions of employment at headquarters and non-headquarters duty stations

145. Article 12 of the ICSC statute requires the Commission to "establish the relevant facts for, and make the recommendations as to, the salary scales of staff in the General Service and other locally recruited categories". In order to carry out this function, ICSC established two methodologies, one for conducting salary surveys at headquarters locations, the other for surveys at non-headquarters locations. The Commission, in ensuring the efficiency and effectiveness of its methodology has conducted a review of its methodology in terms of the experiences gained and lessons learned at the end of each round of headquarters surveys.

146. With the completion of the sixth round of surveys at headquarters locations, the Commission decided to form a working group for the review of the General Service salary survey methodologies for the headquarters and non-headquarters surveys. The working group will consist of four members of the Commission, representatives from six organizations, two representatives from each of the three staff associations and representatives from the CEB and ICSC secretariats.

147. The working group is required:

(a) To analyse and explore issues encountered during the sixth round of surveys and propose solutions to those problems;

(b) In the light of the difficulties encountered relating to private-sector employer participation during the data-collection phase, review ways of obtaining the required data, including the possibility of purchasing data from external sources;

(c) Further examine the requirements for adequate representation of the national civil service;

(d) Examine the application of both methodologies to ensure that the choice of methodology corresponds to the conditions of the local labour market and that similarly situated staff are treated equally;

(e) Revise the text of both methodologies accordingly.

148. The working group is also required to submit its initial proposals to the Commission at its sixty-eighth session, in spring 2009, followed by final revised methodologies for consideration during its sixty-ninth session in summer 2009.

Chapter VI
Conditions of service in the field

A. Effectiveness and impact of recruitment and retention measures at difficult duty stations

149. In section I.E. of its resolution 61/239, the General Assembly requested the Commission to consider the effectiveness and impact of measures designed to promote recruitment and retention, especially in difficult duty stations. The Commission considered an interim report at its sixty-sixth session. At its sixty-seventh session, the Commission examined additional data from a follow-up questionnaire submitted to 26 organizations of the United Nations common system, 23 of which responded.

150. The reports prepared for the Commission examined the level of recruitment and retention difficulties in responding organizations with a view to evaluating the effectiveness of the measures undertaken. The analysis included turnover rates in field locations and at headquarters and examined data by grade and by gender. It concluded with an analysis of external and internal issues affecting recruitment and retention in the United Nations common system. The analysis was based on data furnished by the organizations themselves, and thus reflects their perspectives.

151. To obtain the perspective of the staff, a global staff survey, open to all staff, in all categories, in all locations, was carried out. The results of the staff survey, which included data from approximately 15,000 responses, as shown in table 1 of annex VII to the present report, were presented to the Commission at its sixty-seventh session.

152. Although recruitment difficulties for employers in the global market are increasing, a high proportion of organizations of the United Nations system participating in the survey reported that they did not experience general recruitment difficulties in terms of filling vacancies. Where such difficulties were experienced, the key reasons were given as, firstly, a lack of necessary specialized skills, followed by the higher pay expectations of and the insufficient work experience available in the applicant pool. Those difficulties appeared to be specific to certain occupational groups, especially technical and highly specialized staff.

153. The reported labour turnover rate of 7.5 per cent at headquarters locations and 7.4 per cent in the field, as calculated from 2002 to 2006, was comparatively low compared to the global average of 20 per cent in the public and private sectors worldwide. Voluntary turnover was 2.1 per cent at Headquarters and 2.8 per cent in the field. At headquarters locations, lack of opportunities for career development was the most commonly cited cause of voluntary turnover together with limited development opportunities and work-related stress. Other reasons included inadequacy of spousal employment and lack of appropriate work/life policies. This perspective was somewhat different in field locations where organizations most commonly considered the shortage of educational facilities for children and the inadequacy of medical facilities as relevant reasons for staff leaving their posts. Other reasons included inadequacy of spousal employment and hardship and living conditions at the duty stations. Table 2 of annex VII to the present report provides details of vacancy rates and turnover/attrition.

154. Of the 20 reporting organizations, 3 stated that they were experiencing retention difficulties. Another 3 of the 20 said that they experienced it only in some specialized areas and the remaining organizations said that they had no significant retention difficulties.

155. The global staff survey revealed a very large degree of agreement between the organizational and the staff perspective on what measures were effective in attracting and retaining talent, but it also showed that, in spite of the relatively high retention rates, approximately 40 per cent of the responding staff said that they were seriously thinking of leaving the United Nations system, or might potentially be doing so.

Discussion in the Commission

156. The Commission welcomed the report, which in its consideration contained a great deal of useful information. It noted with interest that the survey results indicated that an increasing investment in training and learning was the initiative most frequently viewed by organizations as having a potentially positive impact on recruitment and retention (8 of 13 responding organizations). Other initiatives described as having had a positive impact on organizational performance were: increasing opportunities for career development; increasing workforce diversity, including gender and geographical balance; and improving conditions of service.

157. Based on the evidence before it, the Commission observed that, although United Nations organizations do not seem to have significant recruitment or retention problems in general, there appear to be problems in certain occupational groups and areas of specialization. In addition, there may be problems in the quality of staff hired in almost 25 per cent of cases. The findings of the staff survey indicate that, although retention rates are high, not all staff are as motivated as they might be, although more than 50 per cent of respondents indicated that they hoped to make a career in the United Nations system. In fact, there are signs that the high retention rates are due to intangible factors, including belief in the mission and mandate of the Organization rather than more tangible factors such as internal management structures, recognition systems, perceived fairness of policies or issues related to compensation. The projections of the future supply and composition of the global labour market indicate that the general situation may well get worse, and that the specific issue of specialized talent will only get more acute. It would therefore be prudent for the organizations of the United Nations system to begin taking strategic steps to mitigate these trends, in addition to addressing the immediate problems.

158. Members of the Commission also indicated that more time would be required to fully evaluate the entire body of data obtained and that, in the meantime, it would be best to exercise some caution in drawing final conclusions from the initial analysis. The Commission intended, therefore, to further explore what follow-up action it might take. It also wished to thank the organizations and the staff federations for their support and cooperation in conducting the staff survey and attributed the high response rate to the joint nature of the endeavour.

159. The HR Network and the representatives of the staff federations both referred to the need for increased investments in staff development in order to increase motivation and effectiveness. The HR Network noted that, notwithstanding the apparent high retention rates, all organizations of the United Nations system were facing a very large number of mandatory retirements over the next few years, which

underscored the need to develop succession planning strategies and was the reason the matter was on the Network's programme of work for 2008-2009.

160. Turning to the specific question of recruitment and retention issues in difficult duty stations, the Commission examined the staff survey responses from internationally recruited staff serving in duty stations classified under categories C, D and E. The reasons staff had given for what motivated them to stay in service (the retention factors) and what might motivate them to leave (the push factors) were plotted into a series of matrices according to relative importance and the degree of satisfaction staff expressed with each factor. The matrices are provided in annex VII to the present report. This analysis was conducted for staff whose dependants were living with them in their duty station and for those who were not, as well as by international Professional staff (P-level staff) and senior staff (D-level staff). High retention factors and high push factors were strikingly uniform across the matrices. Also included in annex VII are bar charts showing the reasons to join, stay or leave in difficult duty stations (categories C, D and E), by gender.

161. The Commission noted that the common system did not appear to have a serious recruitment problem in terms of filling vacancies, but it was concerned that almost one quarter of recruitment cases had reportedly experienced difficulties in terms of attracting staff with the necessary skills and experience, thus posing the question of quality rather than quantity. The Commission noted the consistency of staff responses in identifying the factors accorded high importance but low satisfaction rates, and noted that they all related to career development, professional development opportunities, work-related stress, and work/life balance (including spousal employment). On the other hand, the high retention factors were similarly uniform: belief in the goals and objectives of the Organization, the opportunity to serve a good cause and good relationships with colleagues.

162. The personal experience of members of the Commission in visits to field locations as well as individual reports from reporting organizations clearly showed that, notwithstanding the general findings, there are certain difficult duty stations, including United Nations missions, where there are significant difficulties in attracting and retaining staff, and that these duty stations are characterized by high vacancy and high turnover rates. The Commission has previously made recommendations to help address some of these problems as they relate to the harmonization of conditions of service in non-family duty stations and contractual arrangements.

Decision of the Commission

163. The Commission requested its secretariat to continue its work in producing further analysis of the data which could be used in subsequent work of the Commission.

164. The Commission further decided to recommend to the General Assembly that it take note of the findings of the Commission, in particular the intervention matrices found in annex VII to the present report, with a view to encouraging organizations of the United Nations system to develop strategies to address recruitment and retention factors.

B. Hazard pay for internationally recruited staff

165. ICSC introduced hazard pay (also known as exceptional measures for hazardous conditions) in 1984. Hazard pay is a special allowance established for staff who are required to work under hazardous conditions, which are defined by the Commission (see A/60/30 and Corr.1, para. 108, and annex III) as follows:

(a) Duty stations where very hazardous conditions such as war or active hostilities prevail and where the evacuation of families and non-essential staff has taken place;

(b) Duty stations where no evacuation has taken place, but in which staff are required to work in hazardous conditions such as war or where active hostilities prevail, including situations where staff are required to work on cross-border missions in hazardous areas;

(c) The performance of functional medical requirements that directly expose staff to life-threatening diseases such as severe acute respiratory syndrome (SARS) and the Ebola virus, in the course of the performance of their duties.

166. In accordance with the decision of the Commission in 2005 (A/60/30 and Corr.1, para. 147), which was subsequently noted by the General Assembly in its resolution 61/239, the level of hazard pay for internationally recruited staff was established at $1,300 per month as of 1 January 2007. Furthermore, in 2005, the Commission also decided that the hazard pay would be reviewed on the same three-year cycle as, and simultaneously with, the review of the allowances for mobility, hardship and non-removal, and considering the same indicators used to update these allowances. Those indicators are:

(a) The average movement of net base salary plus post adjustment at the eight headquarters duty stations of the United Nations system;

(b) Movement of the out-of-area index used for post adjustment based on inflation factors in 21 countries;

(c) The movement of the base/floor salary scale.

167. The report presented to the Commission by its secretariat contained a proposal to increase the hazard pay for internationally recruited staff by 5 per cent effective 1 January 2009. This would result in an increase in hazard pay from $1,300 to $1,365 per month.

168. The financial implications of an increase of 5 per cent in the current level of hazard pay for internationally recruited staff assigned to hazardous duty stations (i.e., from $1,300 to $1,365 per month) were estimated at $1.2 million for the year 2009, based on staff data as at 31 December 2006 and assuming the list of countries/duty stations where payment of hazard pay has been approved with effect from 1 June through 31 August 2008 remains unchanged during the year 2009. This estimate did not include payment to staff on travel status.

Discussion in the Commission

169. The HR Network and representatives of three staff federations were very appreciative of the proposal of the secretariat to increase the hazard pay for internationally recruited staff by 5 per cent from the current level.

170. After considering the movement of the three indicators, the Commission approved the proposal to increase the hazard pay for internationally recruited staff by 5 per cent from the current level, effective 1 January 2009 (i.e., from $1,300 to $1,365 per month).

171. Members of the Commission then turned their attention to a recommendation made by the Independent Panel on Safety and Security of United Nations Personnel and Premises Worldwide to the effect that the hazard pay system did not appear to be uniformly applied by all organizations. The secretariat informed the Commission that that was an implementation issue and that it had therefore been referred to the CEB/HR Network, which undertook to place the question on its programme of work. Initial investigations had, however, shown that hazard pay was indeed paid in a uniform manner but that the problem may be with the various organizational definitions of which type of employees were designated as being staff members, and hence entitled to the allowance.

Decision of the Commission

172. The Commission decided that a 5 per cent increase should be granted for the hazard pay for internationally recruited staff and as a result, to establish the level of hazard pay for internationally recruited staff at $1,365 per month as of 1 January 2009.

173. The Commission decided to request the CEB/HR Network to submit a report on the results of its review of the harmonization of hazard pay.

Chapter VII
Other business

A. Progress report on the Senior Management Network

174. The development of a Senior Management Network for the organizations of the United Nations common system has been on the work programme of the Commission for a number of years. In 2003 the Commission noted that developmental work was proceeding under the auspices of the CEB and requested the organizations of the common system to inform it of progress made, as appropriate. The CEB/HR Network provided the Commission with an update in 2006, with particular reference to the concept, the modus operandi and the strategic plans for development in the longer term.

175. In its resolution 61/239, the General Assembly requested the Commission to continue to monitor the project, and endorsed the Commission's decision to request similar updates at regular intervals from the HR Network/CEB secretariat.

176. During the sixty-seventh session of the Commission, the spokesperson for the HR Network provided the Commission with an oral update on the development of the Senior Management Network. There had been little progress on establishing the Network itself, as this was subject to the provision of the necessary funds and resources by Member States.

177. There had, however, been developments in regard to the first senior management leadership programme, which had been requested by the United Nations System Staff College and prepared by the Rotterdam School of Management on behalf of a consortium of eight universities/business schools. A total of 47 participants from 30 organizations had attended. A comprehensive assessment had been conducted by a steering group which would report to the High-level Committee in September 2008.

178. The steering group confirmed the need for a cross-agency and system-wide leadership development programme but it would need to be redesigned to focus on leading change within the United Nations system and on the six identified United Nations leadership competencies. The United Nations System Staff College would redesign the programme, and a steering group would oversee the delivery of the revised programme. Finally, the cost of the programme would need to be reduced.

Discussion in the Commission

179. The Commission reiterated its view on the importance of a system-wide leadership development programme, and enquired why the pilot programme had been conducted only once rather than being tested on a greater variety of participants. The HR Network responded that it was found that the reservations expressed by the first cohort of participants has been sufficiently strong to merit a redesign of the programme before further resources were expended on it.

180. FICSA and CCISUA congratulated the organizations on the efforts to improve leadership and expressed the hope that the training on senior management would include labour relations.

Decision of the Commission

181. The Commission decided to keep the matter under review, and requested the CEB/HR Network to continue to periodically keep it apprised of developments.

B. Appreciation of local currencies and its effects on United Nations staff remuneration in group II duty stations

182. The Commission considered a report containing the results of an analysis conducted by its secretariat, of the effects of the continuing devaluation of the United States dollar on the remuneration package of staff members of the United Nations common system serving in field duty stations. The ICSC secretariat conducted the analysis as a result of several complaints received from field duty stations whose local currencies have, over the recent past, been steadily appreciating relative to the United States dollar. The complaints highlighted a significant loss of the purchasing power of three components of the remuneration package that are denominated in United States dollars, namely, post adjustment, education grant and allowances under the mobility and hardship scheme.

183. Regarding post adjustment, three possible remedies were proposed, all involving various modifications of the operational rules governing post adjustment classification of field duty stations. Numerical examples were provided to show the relative differences in the net take-home pay of an average staff member resulting from application of the various proposed modifications of the operational rules. The results showed that field duty stations that have been experiencing sustained appreciation of their local currencies relative to the United States dollar would benefit from the proposed modifications of the financial rules. However, staff members serving in other duty stations with weaker local currencies would lose income by more significant margins. The secretariat also presented financial implications of the proposed modifications, which indicated, for instance, that the overall United Nations common system-wide additional cost of implementing more frequent adjustment of multipliers would range from about $2.6 million (for bimonthly adjustments) to about $8 million (for monthly adjustments), accounting for both inflation and exchange-rate fluctuations. The third alternative, entailing monthly adjustments to account for exchange-rate movements and every four months to account for inflation, produced similar results, in the sense that some duty stations would experience a gain in the net take-home pay but only at the expense of other duty stations with different economic circumstances. In other words, the implementation of any of the proposed methods would lead to a redistribution of net take-home pay from some duty stations to others, depending on the strength of the local currencies against the United States dollar.

184. For the education grant, all the duty stations under consideration fall under the "United States dollar outside the United States" category. Since, for the locations in question, the education grant is fixed in the United States dollar and has longer review cycles, there would be even more erosion of purchasing power if the local currency appreciated consistently relative to the United States dollar during the review cycle.

185. The secretariat pointed out that the Commission was in the process of reviewing the education grant methodology and that the issue of the impact of currency fluctuations on the level of the grant would naturally be considered as part

of that review. Pending the introduction of a new system, however, consideration could be given to expanding the Chairman's existing delegated authority to include exchange-rate fluctuations which result in increases of the dollar equivalents of education-related expenses well above the approved maximum for the zone. Such an interpretation of the Chairman's delegated authority would in fact appear to be in line with its original intent, that is, providing relief to individual countries in the "United States dollar outside the United States" zone that experience a significant erosion in the purchasing power of the grant. Currently, the Chairman's delegated authority covers only situations where a duty station experiences "an exceptional increase in fees between two reviews of the level of the grant", in which case the Chairman of the Commission can allow for the reimbursement of admissible expenses up to the approved level of the maximum allowable expenses for the United States dollar/United States area.

186. As for allowances under the mobility and hardship scheme, all three components are fixed in the United States dollar and are reviewed every three years on a pragmatic basis, taking into consideration movements in the base/floor salary scale; the out-of-area index; and the net base salary plus post adjustment at headquarters duty stations. Unlike post adjustment, which is an integral part of payroll and is calculated in frequent intervals, or the education grant which is adjusted based on actual expenditures, the amounts payable under the mobility and hardship scheme are lump sums that are adjusted once every three years. In cases where local currencies appreciate significantly against the United States dollar during a review cycle, the relative value of these amounts may depreciate by an equally significant amount. In order to address this situation, consideration could be given to reviewing the lump sums on an annual basis against significant changes in exchange rates and to adjust them accordingly. In order not to detract from the incentive nature of these payments, any increase in the relative value of the dollar would not trigger a revision of the amounts, whereas any relative decrease of the value would. Furthermore, to avoid having to deal with different lump sums for each currency in the world, the secretariat proposed that the annual value of the dollar amounts be adjusted according to the exchange rates of a basket of global currencies, for example, the euro, the yen, the pound sterling. The resulting revised dollar amounts would be payable to all staff not assigned to a United States dollar location. There would thus only be two lump sums to manage. The Commission would still have to decide on which global currencies to consider in this annual adjustment and their relative weights.

Discussion in the Commission

187. The staff federations thanked the secretariat for the rapid and comprehensive response to the concerns raised by staff in particular in field duty stations. They regretted that there was no solution that would work for all duty stations, suggesting that what staff members were seeking was income stability. Wages and benefits should allow staff to meet their living costs, mainly in the duty station where they were posted, but also considering the financial commitments they might have in their home countries or outside the duty stations. The federations supported the proposed changes to the post adjustment classification system, the education grant and the mobility/hardship scheme, and urged vigilance in monitoring any such changes to guard against unintended consequences.

188. The Commission expressed its concern about the negative impact on the purchasing power of the various components of the remuneration package of United Nations staff members, of the continuing devaluation of the United States dollar relative to local currencies in some large field duty stations. It also acknowledged the concerns expressed by organizations and staff associations on the issue.

189. Referring to the results of the analysis of the global situation carried out by its secretariat, the Commission pointed out that none of the recommended remedies was optimal for all duty stations and that applying any remedy to address a set of complaints would generate another set of complaints from a different set of duty stations.

190. The Commission expressed the view that the current methodology continued to fulfil the purpose for which it had been established: to guarantee stability of the net take-home pay, in United States dollars, of staff members serving in field duty stations. The complaints were related to the continued weakening of the United States dollar relative to global currencies, but the situation would be completely reversed whenever the United States dollar strengthened against those currencies. Indeed, no compiaints had been received from organizations and staff associations in the past when the United States dollar was strong and stable, or even currently from duty stations with weaker local currencies.

191. The Commission also pointed out that the General Assembly had not approved previous proposals for more frequent adjustments of multipliers, out of concern for loss of stability in the United States dollar remuneration of staff members, concerns that had led to the establishment of the four-month reviews of post adjustment for field duty stations in the first place. It was not likely to change its mind on the basis of the analysis presented by the secretariat.

192. The Commission concluded that changing the operational rules governing the various entitlements was clearly not generally in the interest of field duty stations, that no case had been made for urgent action on the issue and that further monitoring of the situation was required to ensure that any proposed solutions did not create other problems. The Commission urged a cautious approach in the search for solutions to the problem, especially considering the fact that post adjustment was a significant component of the remuneration system, designed to equalize purchasing power across duty stations. It was suggested that the matter should be referred for review by ACPAQ.

193. The representative of the HR Network stated that, in the absence of any immediate action by the Commission to address the many complaints received from organizations and staff federations, the ICSC secretariat should develop an effective communication strategy that would keep the CEB secretariat fully informed about how the impact of the continuing appreciation of local currencies relative to the United States dollar on the remuneration package for staff serving in field duty stations was being monitored.

Decision of the Commission

194. The Commission decided that no change in the operational rules governing the three components of the remuneration package (post adjustment, education grant and mobility and hardship scheme) was currently warranted. The Commission further decided that the matter of the effect of fluctuation of local currencies vis-à-vis the

United States dollars on staff remuneration in group II duty stations should be referred to ACPAQ for review at its thirty-first session.

C. Decisions of the Commission under rule 32 of its Rules of Procedure

1. Participation of the United Nations International Civil Servants Federation in the work of the Commission

195. At its sixty-fifth session, the Commission considered a request from a new staff representative body (UNISERV) to participate in its work. With the Commission's agreement, the Chairman wrote to the executive heads of the common system organizations the staff of which UNISERV claimed to represent. Official replies were received, including supporting staff statistics, which showed that UNISERV appeared to represent over 37 per cent of the common system staff having contracts of one year or more and represented staff in more than one common system organization in more than one duty station.

196. The Chairman then consulted with Commission members and the Commission unanimously agreed to invite UNISERV to participate in the work of the Commission starting with its sixty-sixth session. This decision is in line with the Commission's 1983 decision on a similar request at that time (A/38/30, chapter X, sect. A).

2. Documentation deadlines prior to the session of the Commission

197. At the request of its secretariat, responding in turn to a request from the Department for General Assembly and Conference Management, the Commission confirmed its agreement to have official session documents distributed to its members four weeks before a session starts rather than the six weeks before that date.

Annex I

Programme of work of the International Civil Service Commission for 2009-2010

1. Resolutions and decisions adopted by the General Assembly and the legislative/governing bodies of the other organizations of the common system.
2. Framework for human resources management:
   (a) Mobility;
   (b) Work Life/Balance;
   (c) Mobility/hardship — methodology.
3. Conditions of service of the Professional and higher categories:
   (a) Base/floor salary scale;
   (b) Evolution of the United Nations/United States net remuneration margin;
   (c) Survey and report on gender balance in the United Nations common system;
   (d) Children's and secondary dependant's allowances: review of the level;
   (e) Assessing the implementation of the new Job Evaluation Master Standard for the Professional and higher categories;
   (f) Report of the thirty-first session of the Advisory Committee on Post Adjustment Questions;
   (g) Agenda for the thirty-second session of the Advisory Committee on Post Adjustment Questions;
   (h) Report of the thirty-second session of the Advisory Committee on Post Adjustment Questions;
   (i) Agenda for the thirty-third session of the Advisory Committee on Post Adjustment Questions.
4. Conditions of service of the General Service and other locally recruited staff:
   (a) Considerations related to reviewing the Job Evaluation Standards for the General Service and related categories;
   (b) Review of the General Service salary survey methodologies;
   (c) Survey of best prevailing conditions of employment at a headquarters location (to be decided).
5. Conditions of service applicable to both categories of staff:
   (a) Separation payments;
   (b) Education grant: review of the methodology for determining the grant;
   (c) Performance management;
   (d) Education grant: review of the level;
   (e) Contractual arrangements (including assignments of limited duration);

(f) Standards of conduct — update.

6. Total compensation comparisons under the Noblemaire principle to determine the highest paid civil service:

(a) Update of the United Nations/United States grade equivalency studies.

7. Conditions of service in the field:

(a) Review of procedures for the classification of duty stations according to the conditions of life and work;

(b) Assessment of the compensation/entitlements of National Professional Officers;

(c) Update on staff survey — follow-up.

8. Monitoring of implementation of decisions and recommendations of the International Civil Service Commission by organizations of the United Nations common system.

9. Other business:

(a) Human Resources Network — age of retirement;

(b) Progress report on development of a Senior Management Network.

10. Progress on achievement of goals to strengthen the role and functioning of the Commission.

11. Alignment of budget with strategic plans: biennium 2012-2013.

Annex II

Proposed revisions of education grant and boarding cost levels

Table 1
Proposed increases for maximum admissible expenditures and education grant

Country/zone	*Currency*	*Maximum admissible expenditure*	*Maximum education grant*
Austria	Euro	16 719	12 539
Belgium	Euro	15 458	11 593
Italy	Euro	18 936	14 202
Netherlands	Euro	16 521	12 391
Spain	Euro	15 139	11 354
Sweden	Swedish Krona	157 950	118 462
Switzerland	Swiss franc	28 749	21 562
United Kingdom	Pound sterling	22 674	17 005
US$ in the United States	United States dollar	39 096	29 322
US$ outside the United States[a]	United States dollar	19 311	14 484

[a] Includes Finland, which will no longer be tracked as a separate zone.

Table 2
Zones where the maximum admissible expenditures and education grant are maintained

Country/zone	*Currency*	*Maximum admissible expenditure*	*Maximum education grant*
Denmark	Danish Krone	108 147	81 110
France[a]	Euro	10 263	7 697
Germany	Euro	18 993	14 245
Ireland	Euro	17 045	12 784
Japan	Yen	2 324 131	1 743 098

[a] Except for the following schools, where the US$ in the United States levels will be applied:
1. American School of Paris.
2. American University of Paris.
3. British School of Paris.
4. European Management School of Lyon.
5. International School of Paris.
6. Marymount School of Paris.
7. The Ecole Active Bilingue Victor Hugo.
8. Ecole Active Bilingue Jeanine Manuel.

Table 3
Proposed ceilings for boarding costs

Country/zone	*Currency*	*Normal flat rate for boarding*	*Additional flat rate for boarding (at designated duty stations)*
Austria	Euro	3 709	5 564
Belgium	Euro	3 452	5 178
Denmark	Danish Krone	26 219	39 329
France	Euro	2 995	4 493
Germany	Euro	4 179	6 269
Ireland	Euro	3 112	4 668
Italy	Euro	3 128	4 692
Japan	Yen	607 703	911 555
Netherlands	Euro	3 844	5 766
Spain	Euro	3 153	4 730
Sweden	Krona	24 653	36 980
Switzerland	Swiss franc	5 458	8 187
United Kingdom	Pound sterling	3 488	5 232
US$ in United States	United States dollar	5 777	8 666
US$ outside United States	United States dollar	3 655	5 483

Annex III

Comparison of average net remuneration of United Nations officials in the Professional and higher categories in New York and United States officials in Washington, D.C., by equivalent grades (margin for calendar year 2008)

Grade	Net remuneration (United States dollars)		United Nations/United States ratio (United States, Washington, D.C. = 100)	United Nations/United States ratio adjusted for cost-of-living differential	Weights for calculation of overall ratio[c]
	United Nations[a,b]	United States			
P-1	65 495	49 209	133.1	116.4	0.5
P-2	84 841	65 261	130.0	113.7	7.6
P-3	104 696	80 529	130.0	113.7	21.9
P-4	126 718	97 054	130.6	114.2	31.8
P-5	148 741	114 946	129.4	113.2	26.3
D-1	171 089	129 230	132.4	115.8	9.0
D-2	183 220	136 323	134.4	117.6	2.9
Weighted average ratio before adjustment for New York/Washington, D.C., cost-of-living differential					130.4
New York/Washington, D.C., cost-of-living ratio					114.3
Weighted average ratio, adjusted for cost-of-living differential					114.1

[a] Average United Nations net salaries at dependency level by grade reflecting seven months at multiplier 61.8 and five months at multiplier 69.6 on the basis of the salary scale in effect from 1 January 2008.

[b] For the calculation of the average United Nations salaries, personnel statistics of the United Nations System Chief Executives Board for Coordination as at 31 December 2006 were used.

[c] These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, serving at Headquarters and established offices as at 31 December 2006.

Annex IV

Salary scale for the Professional and higher categories showing annual gross salaries and net equivalents after application of staff assessment (effective 1 January 2009)

(United States dollars)

Level		*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*	*XIII*	*XIV*	*XV*
USG	**Gross**	**194 820**														
	Net D	139 633														
	Net S	125 663														
ASG	**Gross**	**177 032**														
	Net D	128 071														
	Net S	115 973														
D-2	**Gross**	**145 112**	**148 187**	**151 322**	**154 540**	**157 757**	**160 974**									
	Net D	107 176	109 267	111 359	113 451	115 542	117 633									
	Net S	98 461	100 226	101 985	103 737	105 486	107 225									
D-1	**Gross**	**132 609**	**135 310**	**138 006**	**140 707**	**143 409**	**146 107**	**148 809**	**151 578**	**154 402**						
	Net D	98 674	100 511	102 344	104 181	106 018	107 853	109 690	111 526	113 361						
	Net S	91 206	92 802	94 394	95 982	97 568	99 150	100 725	102 300	103 870						
P-5	**Gross**	**109 690**	**111 987**	**114 285**	**116 581**	**118 879**	**121 175**	**123 474**	**125 771**	**128 068**	**130 365**	**132 662**	**134 959**	**137 257**		
	Net D	83 089	84 651	86 214	87 775	89 338	90 899	92 462	94 024	95 586	97 148	98 710	100 272	101 835		
	Net S	77 190	78 578	79 962	81 345	82 726	84 102	85 478	86 851	88 222	89 590	90 956	92 318	93 680		
P-4	**Gross**	**89 982**	**92 075**	**94 168**	**96 261**	**98 356**	**100 475**	**102 694**	**104 909**	**107 126**	**109 340**	**111 559**	**113 774**	**115 991**	**118 209**	**120 426**
	Net D	69 287	70 794	72 301	73 808	75 316	76 823	78 332	79 838	81 346	82 851	84 360	85 866	87 374	88 882	90 390
	Net S	64 521	65 894	67 266	68 634	70 002	71 369	72 735	74 098	75 460	76 822	78 181	79 540	80 898	82 254	83 609
P-3	**Gross**	**73 546**	**75 483**	**77 424**	**79 358**	**81 299**	**83 235**	**85 172**	**87 113**	**89 050**	**90 988**	**92 928**	**94 863**	**96 803**	**98 739**	**100 716**
	Net D	57 453	58 848	60 245	61 638	63 035	64 429	65 824	67 221	68 616	70 011	71 408	72 801	74 198	75 592	76 987
	Net S	53 629	54 912	56 198	57 480	58 765	60 046	61 328	62 614	63 895	65 178	66 457	67 737	69 014	70 294	71 573
P-2	**Gross**	**59 908**	**61 643**	**63 375**	**65 110**	**66 843**	**68 575**	**70 310**	**72 039**	**73 775**	**75 510**	**77 242**	**78 978**			
	Net D	47 634	48 883	50 130	51 379	52 627	53 874	55 123	56 368	57 618	58 867	60 114	61 364			
	Net S	44 679	45 812	46 941	48 073	49 202	50 334	51 484	52 630	53 782	54 930	56 076	57 227			
P-1	**Gross**	**46 553**	**48 036**	**49 514**	**51 122**	**52 785**	**54 450**	**56 118**	**57 785**	**59 447**	**61 114**					
	Net D	37 708	38 909	40 106	41 308	42 505	43 704	44 905	46 105	47 302	48 502					
	Net S	35 570	36 675	37 781	38 886	39 991	41 095	42 201	43 293	44 379	45 466					

Annex V

A. Recommended net salary scale for newly eligible staff in the General Service and related categories at Geneva

(Swiss francs per annum)

Applicable to staff recruited on or after the date of implementation

Grades/Steps	*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*
G-1	50 895	52 575	54 255	55 935	57 615	59 295	60 975	62 655	64 335	66 015	67 695	69 375
G-2	55 479	57 311	59 143	60 975	62 807	64 639	66 471	68 303	70 135	71 967	73 799	75 631
G-3	60 448	62 443	64 438	66 433	68 428	70 423	72 418	74 413	76 408	78 403	80 398	82 393
G-4	65 934	68 112	70 290	72 468	74 646	76 824	79 002	81 180	83 358	85 536	87 714	89 892
G-5	72 167	74 547	76 927	79 307	81 687	84 067	86 447	88 827	91 207	93 587	95 967	98 347
G-6	79 037	81 643	84 249	86 855	89 461	92 067	94 673	97 279	99 885	102 491	105 097	107 703
G-7	86 535	89 390	92 245	95 100	97 955	100 810	103 665	106 520	109 375	112 230	115 085	117 940

B. Recommended net salary scale for newly eligible staff in the Language Teachers' category at Geneva

(Swiss francs per annum)

Applicable to staff recruited on or after the date of implementation

	Steps													
Level	*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*	*XIII**	*XIV**
Language teachers	75 213	77 298	79 384	81 469	83 555	85 640	87 726	89 811	91 897	93 983	96 068	98 154	100 239	102 325

* Seniority steps.

Annex VI

Recommended net salary scale for staff in the General Service and other locally recruited categories in Vienna

(Euros)

Survey reference month: November 2007

Grade/Step	*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*
G-1	20 402	21 053	21 704	22 355	23 006	23 657	24 308	24 959	25 610	26 261	26 912	27 563
G-2	23 604	24 358	25 112	25 866	26 620	27 374	28 128	28 882	29 636	30 390	31 144	31 898
G-3	27 308	28 182	29 056	29 930	30 804	31 678	32 552	33 426	34 300	35 174	36 048	36 922
G-4	31 597	32 609	33 621	34 633	35 645	36 657	37 669	38 681	39 693	40 705	41 717	42 729
G-5	36 558	37 727	38 896	40 065	41 234	42 403	43 572	44 741	45 910	47 079	48 248	49 417
G-6	42 297	43 650	45 003	46 356	47 709	49 062	50 415	51 768	53 121	54 474	55 827	57 180
G-7	48 937	50 504	52 071	53 638	55 205	56 772	58 339	59 906	61 473	63 040	64 607	66 174

Annex VII

Analysis of data collected in response to General Assembly resolution 61/239 on effectiveness and impact of recruitment and retention measures especially at difficult duty stations

Table 1
Number of respondents to the staff survey during 2008

		Females				*Males*				*N/D (No information about gender)*				
		International Professional D level	*International Professional P level*	*Other*	*N/D (No information about category)*	*International Professional D level*	*International Professional P level*	*Other*	*N/D (No information about category)*	*International Professional D level*	*International Professional P level*	*N/D (No information about category)*	*Other*	*Grand total*
Duty Station Type	AB	23	327	1 577	30	61	465	1 008	14	...	1	1	4	3 511
	CDE	18	334	1 315	13	48	543	2 206	54	1	3	5	9	4 549
	HQ	76	1 253	2 210	27	134	1 452	947	20	...	6	5	14	6 144
	Unknown	6	36	236	8	5	60	210	11	...	...	102	3	677
Grand total		**123**	**1 950**	**5 338**	**78**	**248**	**2 520**	**4 371**	**99**	**1**	**10**	**113**	**30**	**14 881**

Table 2
Annual vacancy rates and annual attrition rates* during the period 2002-2006

	No. of staff at the Professional and higher categories as at 31 December 2006[a]			*Average annual vacancy rates for the period 2002-2006 (in percentage)*		*Total separations during the period 2002-2006*		*Average annual overall attrition rate for the period 2002-2006 (in percentage)*		*Average annual voluntary attrition rate for the period 2002-2006 (in percentage)*	
						HQ	*Field*				
Organization	*HQ*	*Field*	*Total staff*	*HQ*	*Field*	*Total staff*	*Total staff*	*HQ*	*Field*	*HQ*	*Field*
1 UN	3 659	3 992	7 651	n/d	n/d	654	336	3.7	1.7	0.5	0.5
2 UNFPA[b]	110	89	199	10.1	19.2	41	31	7.9	7.7	2.6	1.2
3 UNHCR[c]	616	1 168	1 784	8.5	12.4	178	155	6.6	3.3	11.4	7.8
4 UNICEF	698	1 653	2 351	6.7	n/d	375	1 092	11.2	15.5	3.2	3.1
5 FAO	733	235	968	17.5	15.4	265	116	6.8	8.6	3.3	5.3
6 WFP[d]	493	801	1 294	22.4	18.7	120	144	5.6	4.1	2.5	1.2
7 WHO[e]	1 090	737	1 827	n/d	n/d	373	388	9.3	n/d	2.9	n/d
8 UPU	67	7	74	9.1	0.0	19	2	6.2	5.7	1.0	0.0

Organization	No. of staff at the Professional and higher categories as at 31 December 2006[a]			Average annual vacancy rates for the period 2002-2006 (in percentage)		Total separations during the period 2002-2006		Average annual overall attrition rate for the period 2002-2006 (in percentage)		Average annual voluntary attrition rate for the period 2002-2006 (in percentage)	
						HQ	Field				
	HQ	Field	Total staff	HQ	Field	Total staff	Total staff	HQ	Field	HQ	Field
9 ITU	282	22	304	10.2	10.4	112	30	7.7	11.0	1.4	0.8
10 WMO	130	3	133	12.5	16.0	63	1	11.6	6.7	2.6	0.2
11 IMO	130	22	152	8.7	n/d	54	n/d	8.6	n/d	3.1	n/d
12 WIPO[f]	424	n/f	424	3.7	n/f	91	n/f	4.2	n/f	1.6	n/f
13 UNIDO	198	42	240	12.7	39.9	81	13	7.8	9.4	0.9	1.4
14 PAHO	221	210	431	19.2	21.3	92	85	8.0	7.9	1.8	1.8
Total	**8 851**	**8 981**	**17 832**			**2 518**					
Average				**11.8**	**17.0**			**7.5**	**7.4**	**2.8**	**2.1**

[a] Voluntary attrition describes staff departures initiated by the staff member (e.g. resignations).
n/d Data not provided for reporting.
n/f No field duty stations.
[a] Staff with an appointment of one year or more.
[b] Staff on posts funded from the biennial support budget.
[c] Includes regular staff on posts funded under the supplementary programme budget which are not approved by the UNHCR Executive Committee.
[d] Staff data include staff on budgeted posts as well as posts funded by trust funds; vacancy rates are only for budgeted post.
[e] Voluntary attrition rates for all locations.
[f] Includes global number of posts (General Service, Professional, Director, Assistant Director-General, Deputy Director-General, Director-General) at end of biennium.

Explanatory notes

The matrices which follow are based on the responses received to the global staff survey, using the following methodology:

1. Description of scoring scale:

   The numerical scores on the x axes describe the importance attributed by respondents to each option of the question asked, using the following rating system:

   Not applicable to me= 0
   Less relevant=1
   Very relevant=2
   Main consideration=3.

2. Description of the matrices:

   X axis: relative degree of satisfaction.

   The average scores for the question: "Why are you seriously considering leaving the United Nations system?" were plotted on the x axis in reverse order. The assumption is that the higher an item scores as a reason to leave the United Nations system, the lower is the degree of satisfaction for the same item.

   Y axis: relative importance.

   The average scores for the question: "Why do you stay with United Nations system?" were plotted on the y axis. The assumption is that the higher an item scores as a reason to stay with United Nations system, the higher is the relative importance of the same item.

The matrices identify areas where the United Nations system appears to be doing well, reflecting items of high relative importance and high levels of satisfaction as well as those areas where there is scope for strategic intervention, reflecting items which enjoy a relative low degree of satisfaction but which are considered to be a high relative importance.

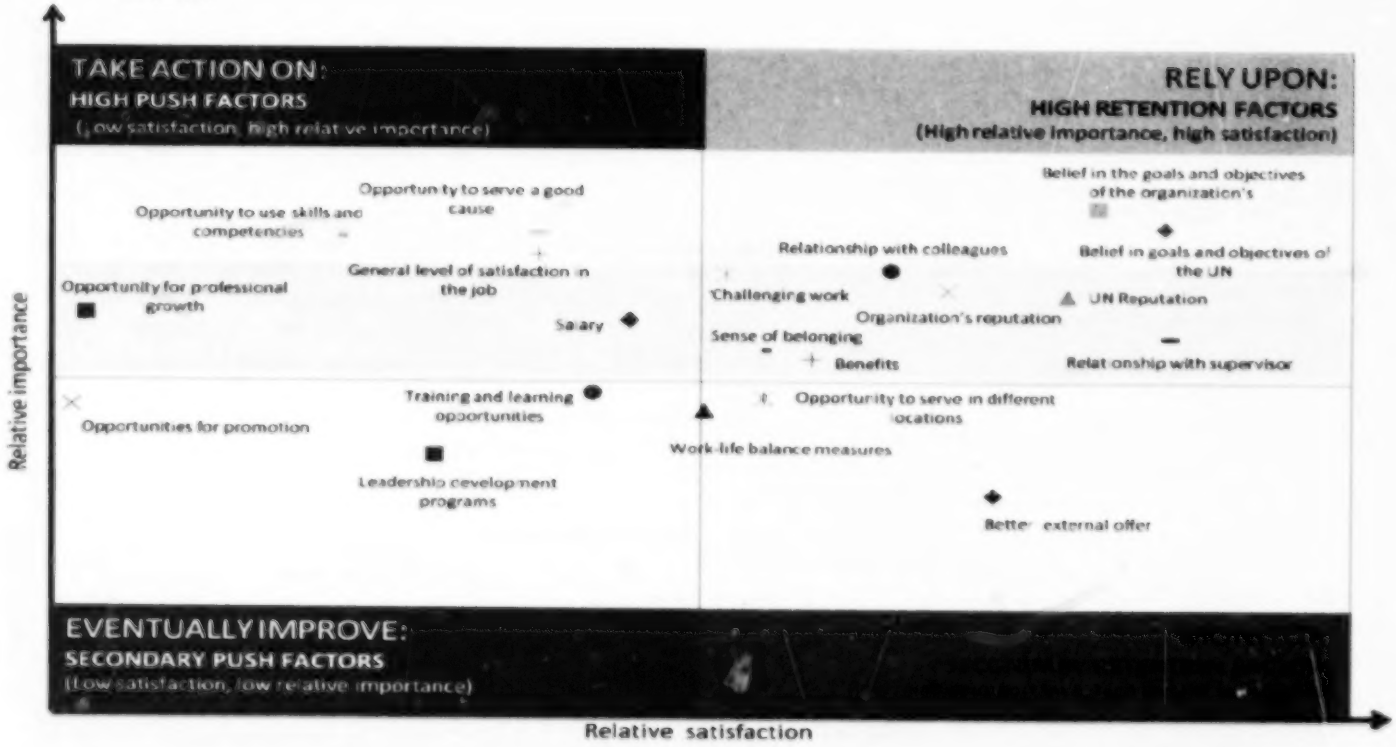
The matrices are provided with the following breakdown:

- General findings
- Overall responses from staff serving in difficult duty stations (categories C, D and E)
- Overall responses from D-1/D-2 staff, further broken down by responses by D-level staff serving in difficult duty stations, and again further broken down by D-level staff with dependants residing/not residing with them at the difficult duty station
- Overall responses from P-1 to P-5 staff, further broken down by responses by P-level staff serving in difficult duty stations, and again further broken down by P-level staff with dependants residing/not residing with them at the difficult duty station
- Responses from staff serving in difficult duty stations, by gender

In addition to the matrices, a number of graphs are provided, illustrating the reasons why staff joined, why they stay, and what might make them leave, for difficult duty stations, by category and by gender.

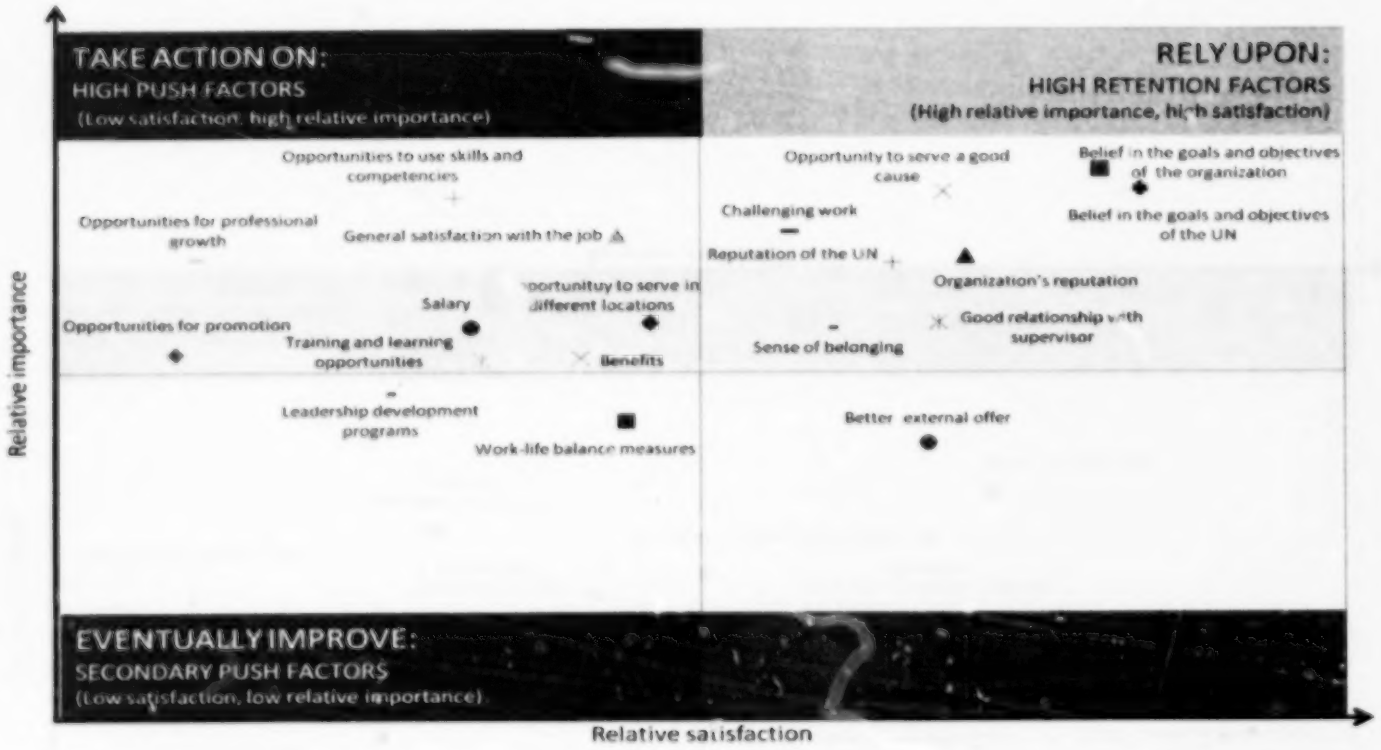
Matrix 1: Strengths and weaknesses of the United Nations system's retention potential

General



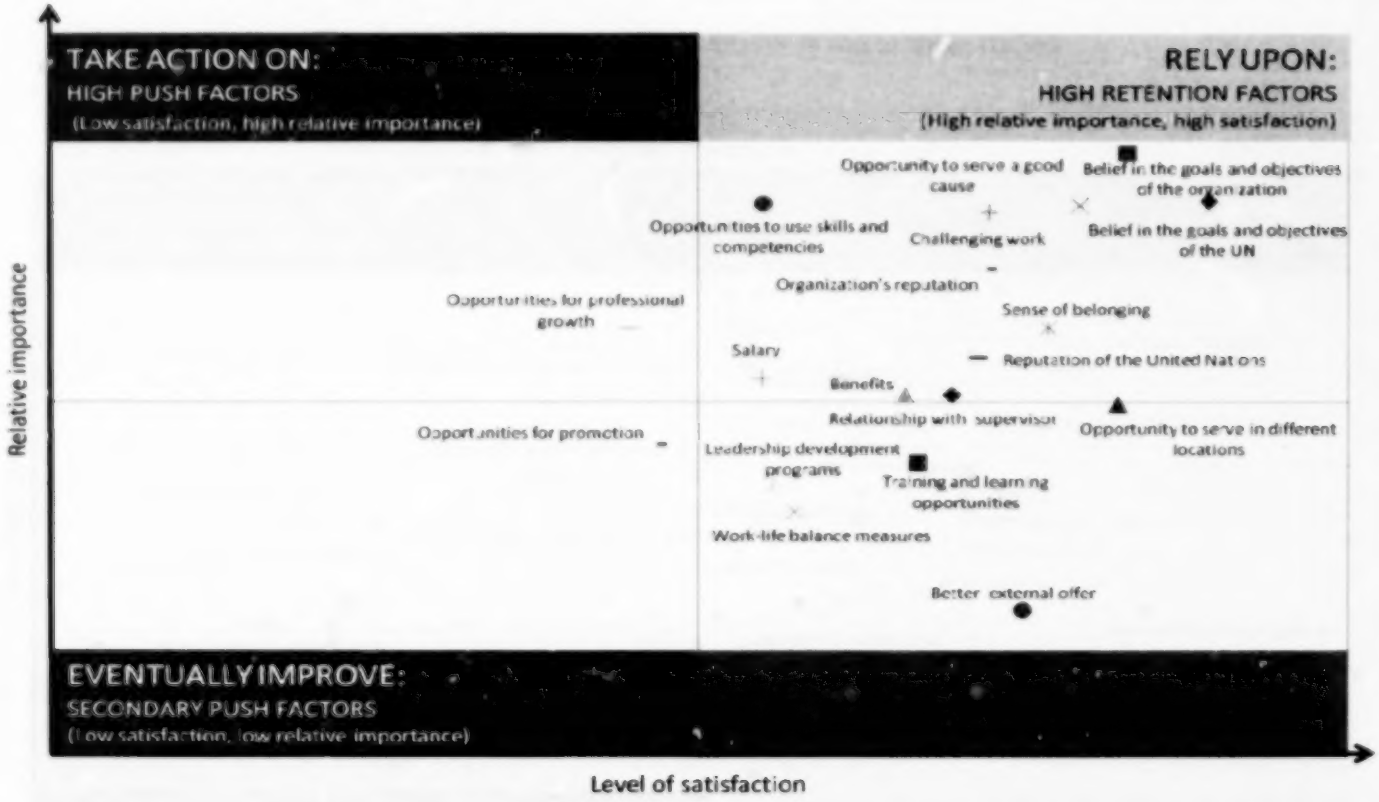
Matrix 2: Strengths and weaknesses of the United Nations system's retention potential

Difficult duty stations



Matrix 3: Strengths and weaknesses of the United Nations system's retention potential

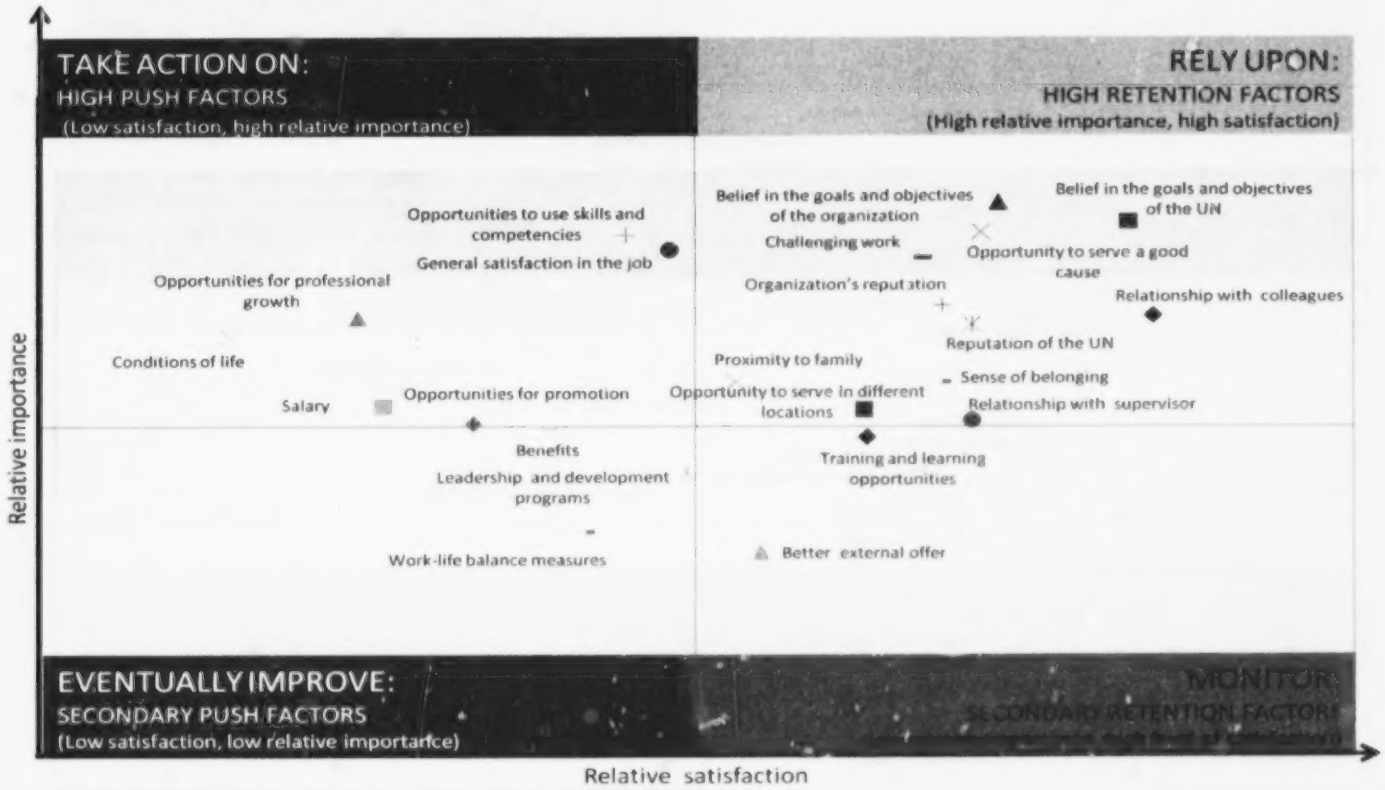
D-level, international Professionals



Matrix 4: Strengths and weaknesses of the United Nations system's retention potential

Difficult duty stations

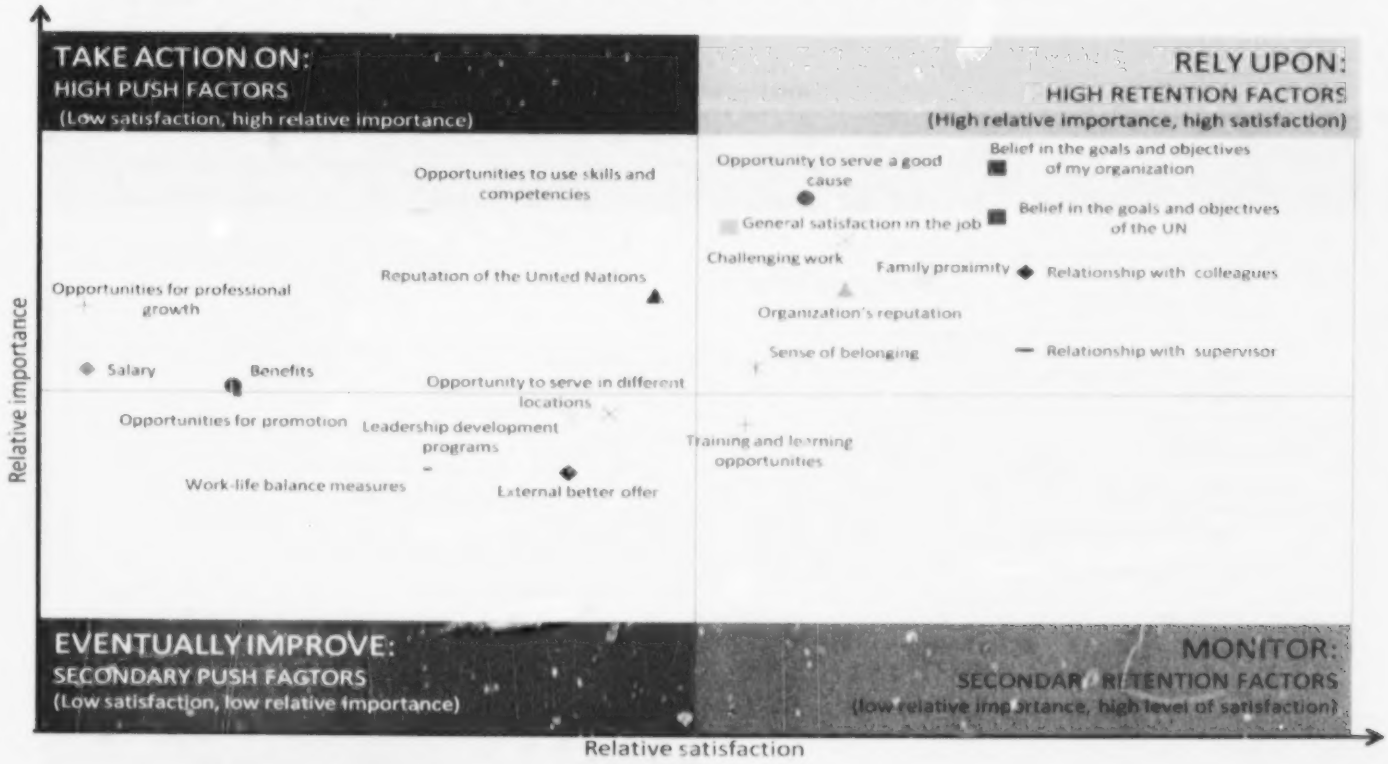
D-level, international Professionals



Matrix 5: Strengths and weaknesses of the United Nations system's retention potential

Difficult duty stations

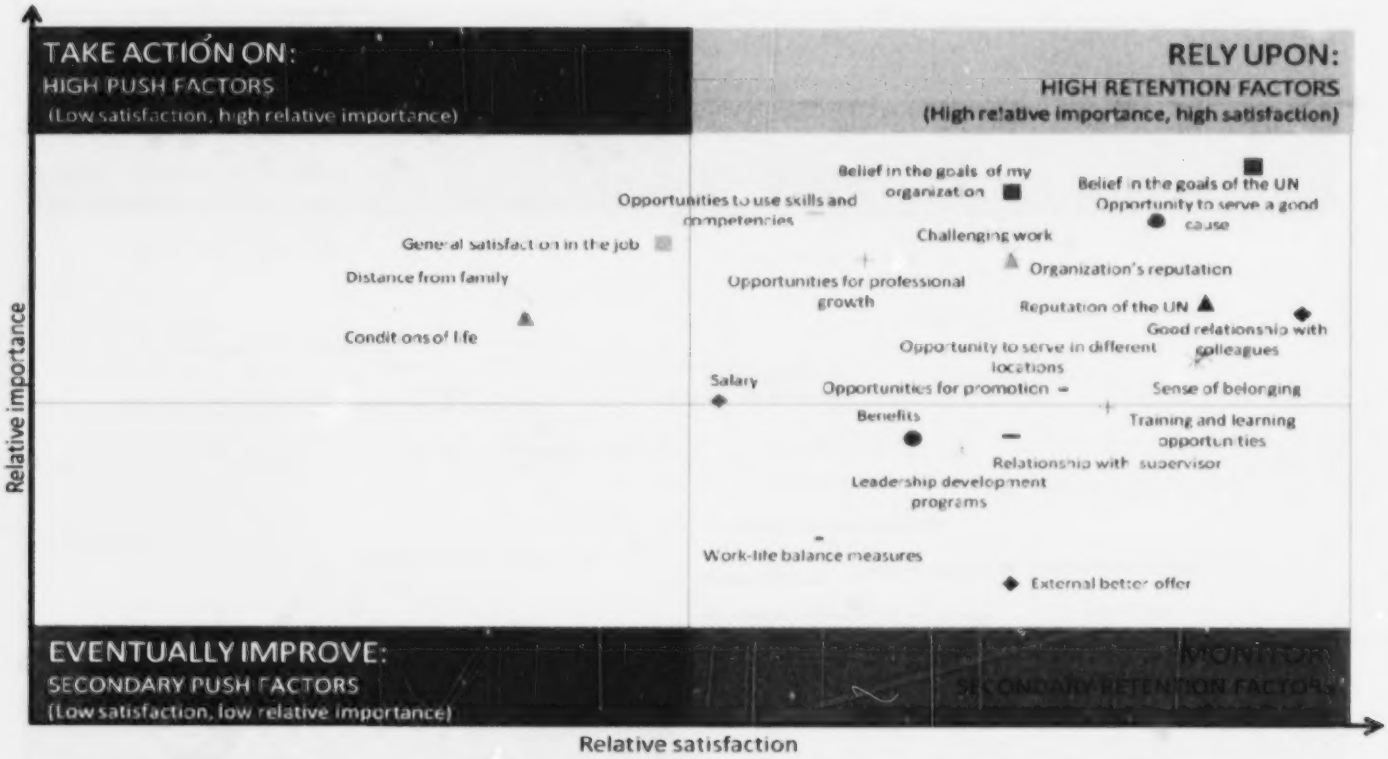
D-level, international Professionals with dependants living at duty station



Matrix 6: Strengths and weaknesses of the United Nations system's retention potential

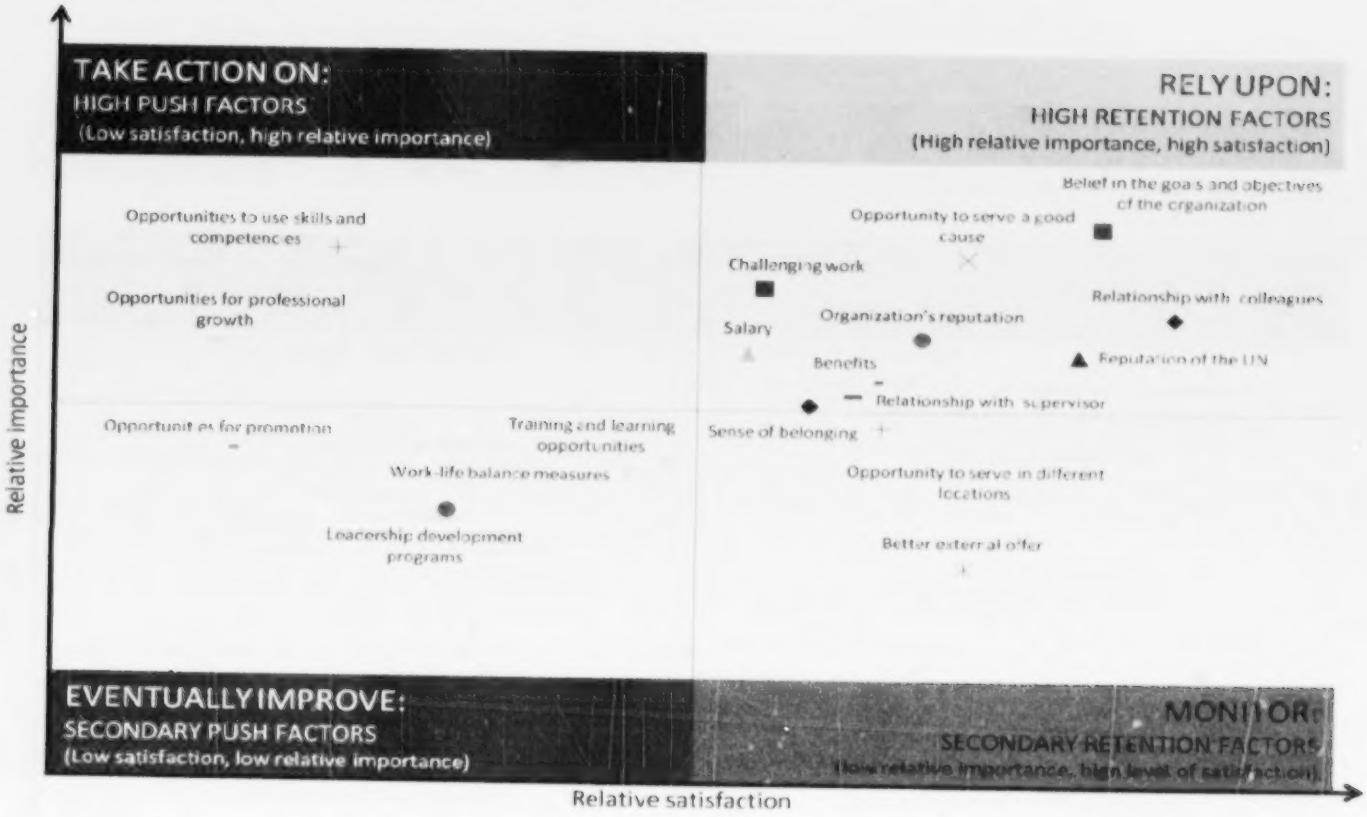
Difficult duty stations

D-level, international Professionals with dependants not living at the duty station



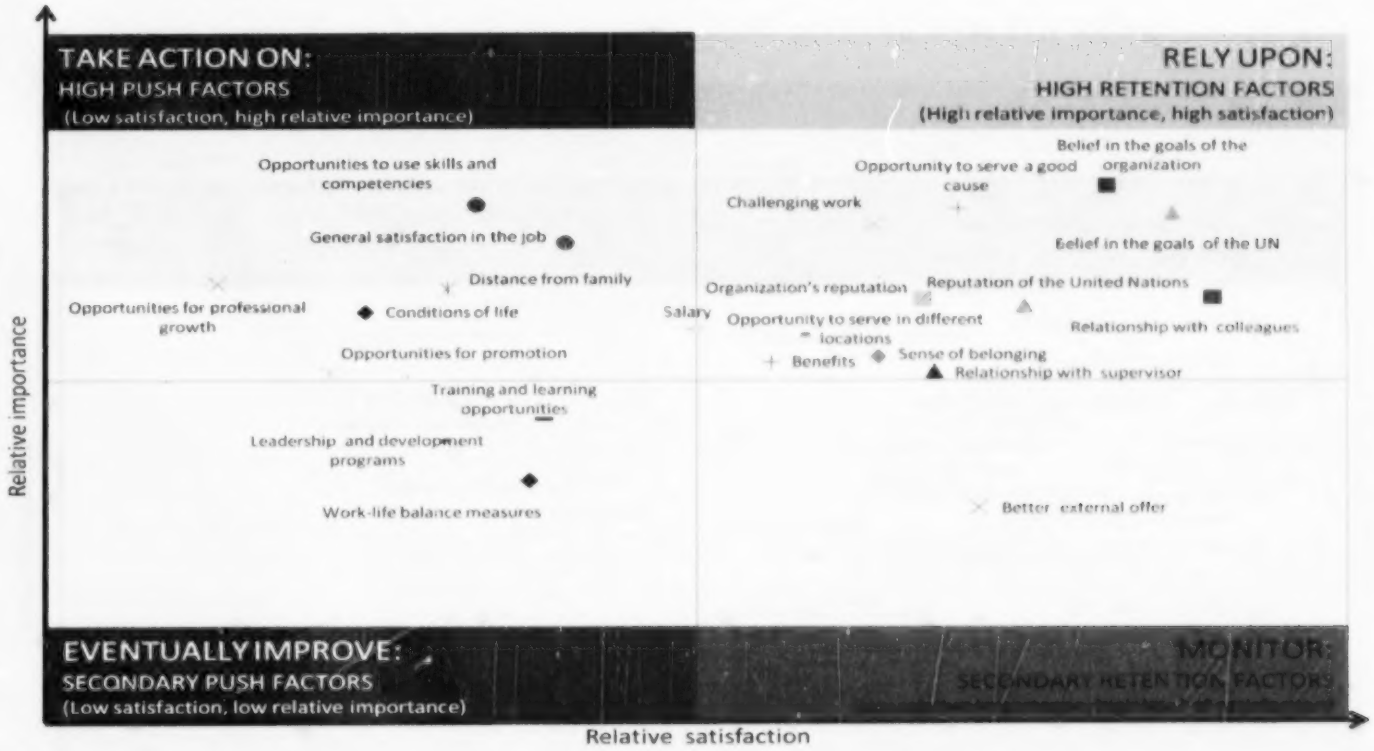
Matrix 7: Strengths and weaknesses of the United Nations system's retention potential

Difficult duty stations, P-level, international Professionals



Matrix 8: Strengths and weaknesses of the United Nations system's retention potential

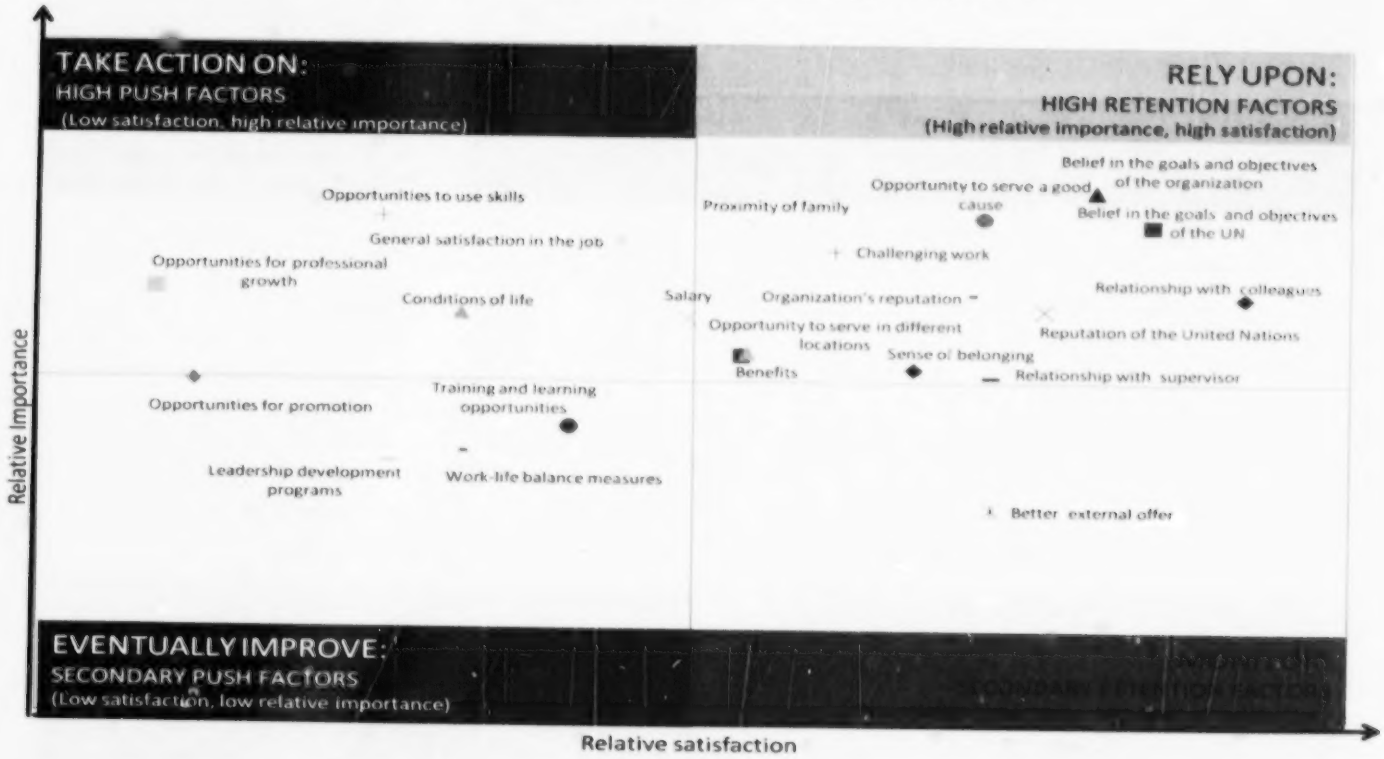
Difficult duty stations, P-level, international Professionals



Matrix 9: Strengths and weaknesses of the United Nations system's retention potential

Difficult duty stations

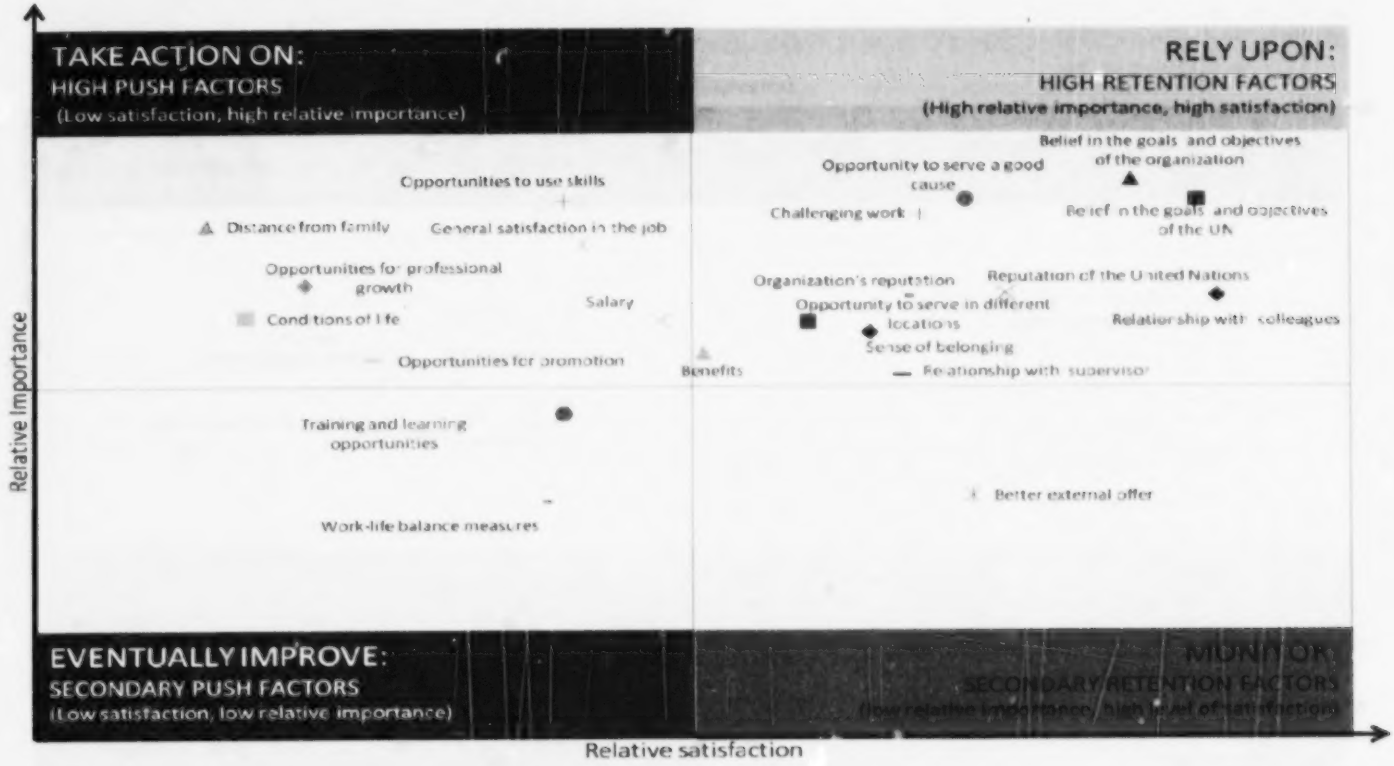
P-level, international Professionals with dependants living at duty station



Matrix 10: Strengths and weaknesses of the United Nations system's retention potential

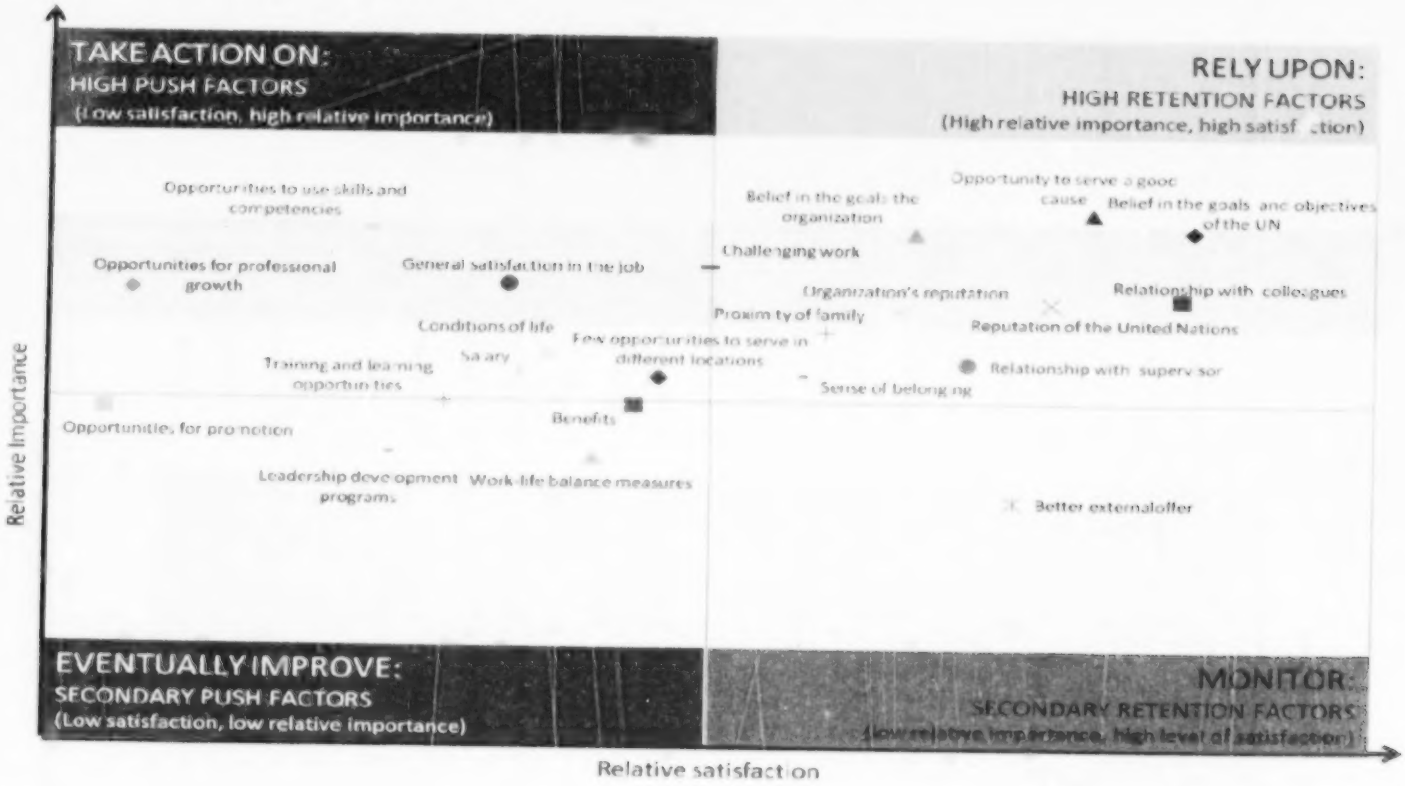
Difficult duty stations

P-level, international Professionals with dependants not living at duty station



Matrix 11: Strengths and weaknesses of the United Nations system's retention potential

Difficult duty stations, females



Matrix 12: Strengths and weaknesses of the United Nations system's retention potential

Difficult duty stations, males

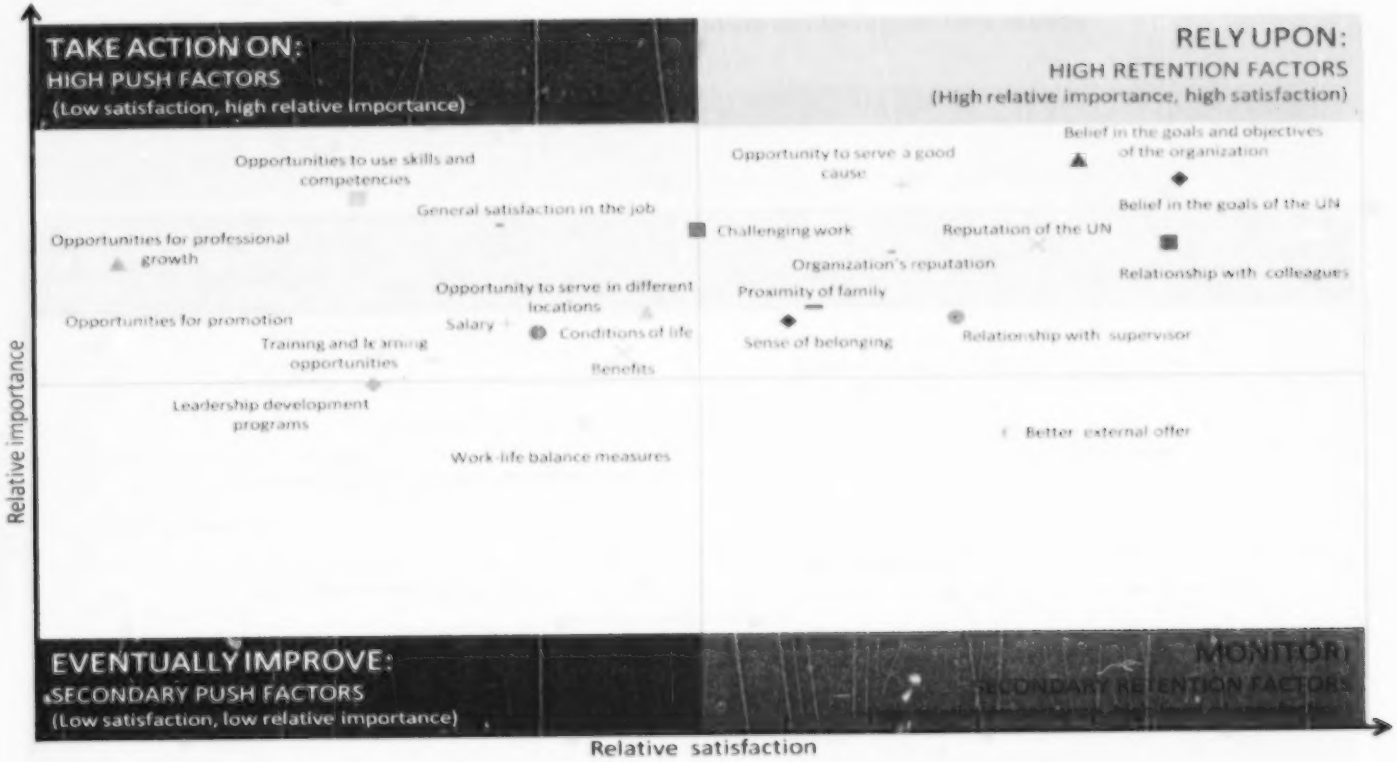


Figure 1
Reasons to stay
Difficult duty stations
by category

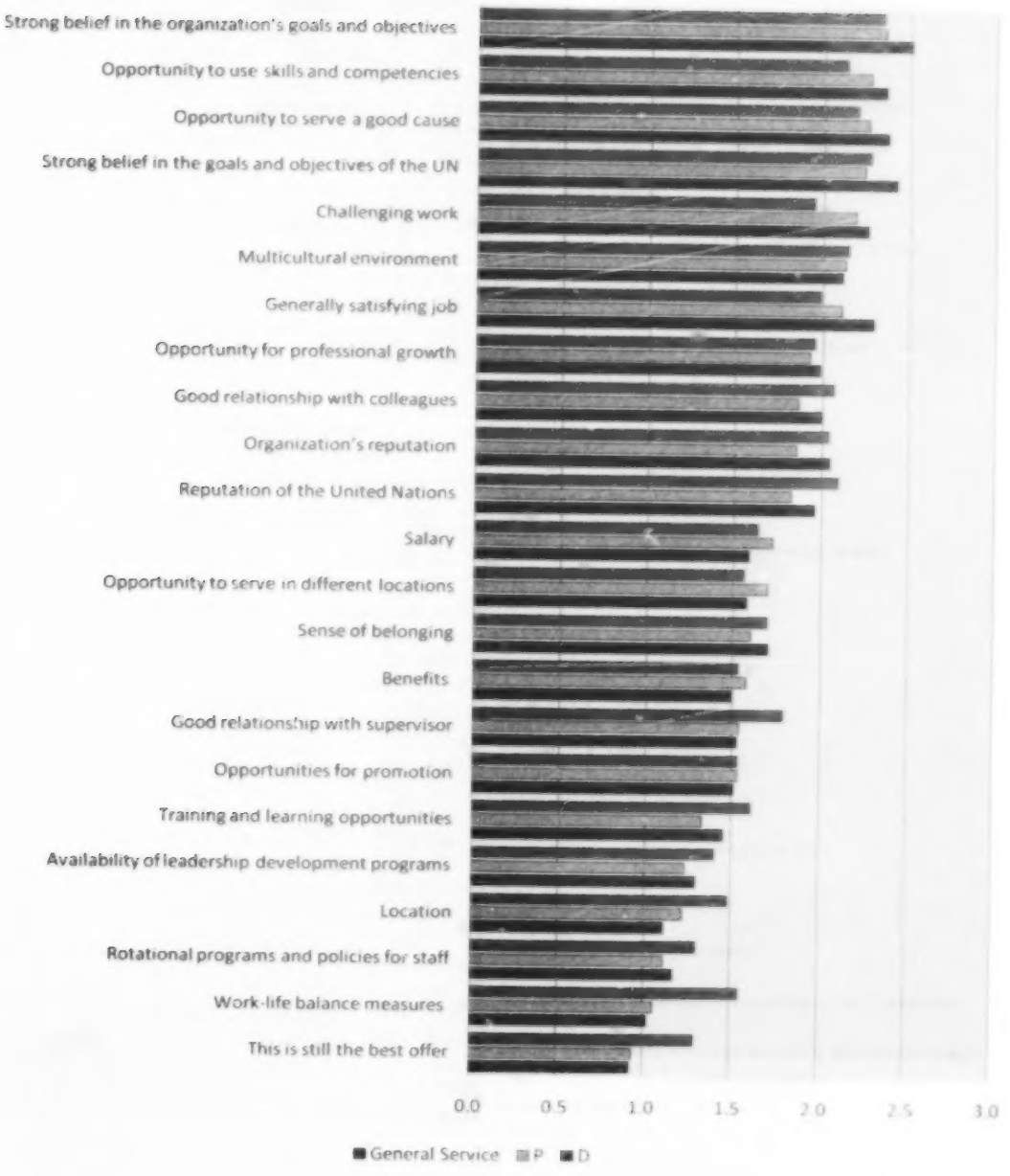


Figure 2
Reasons to leave
Difficult duty stations by category

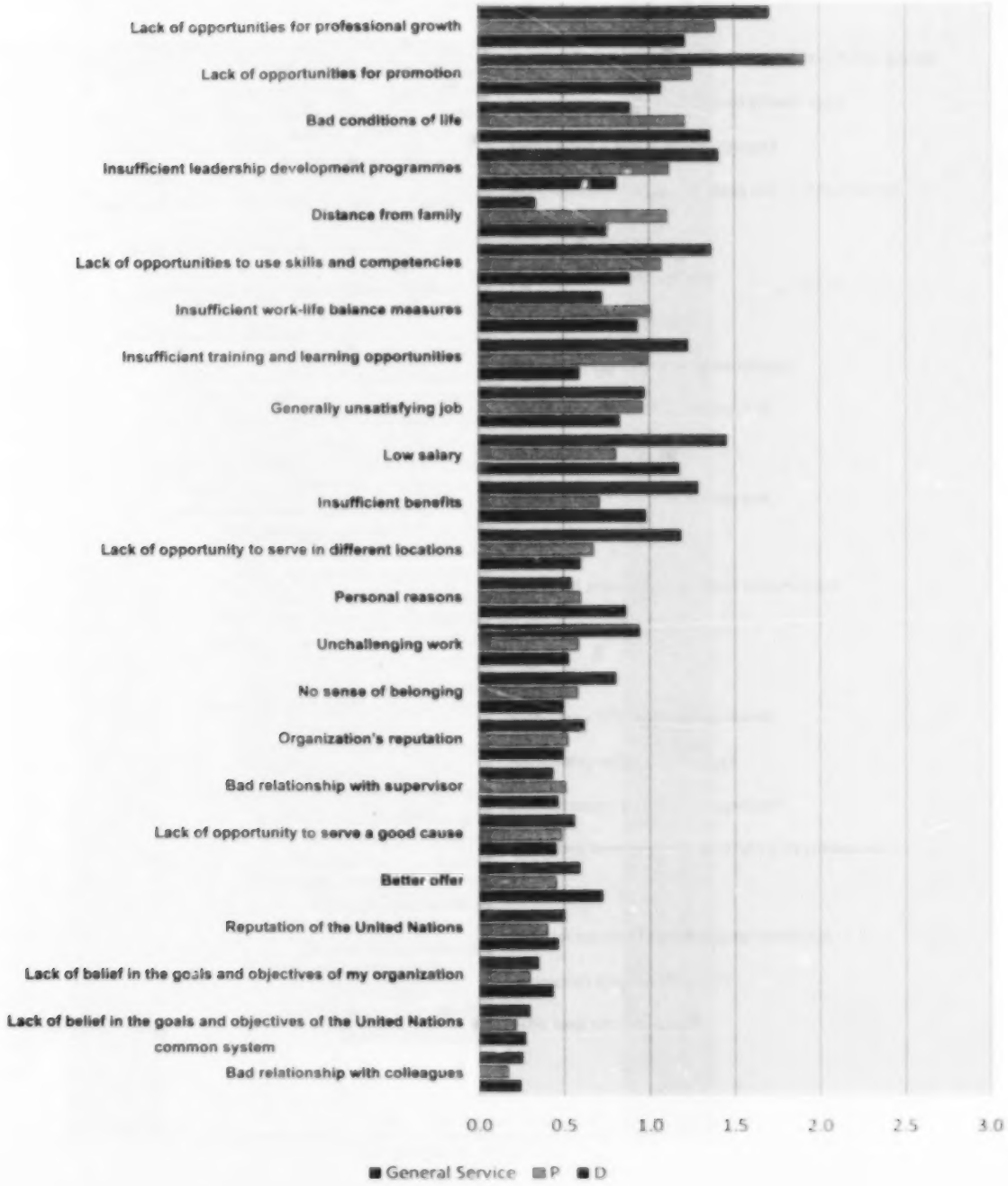


Figure 3
Reasons to join
Difficult duty stations
by gender

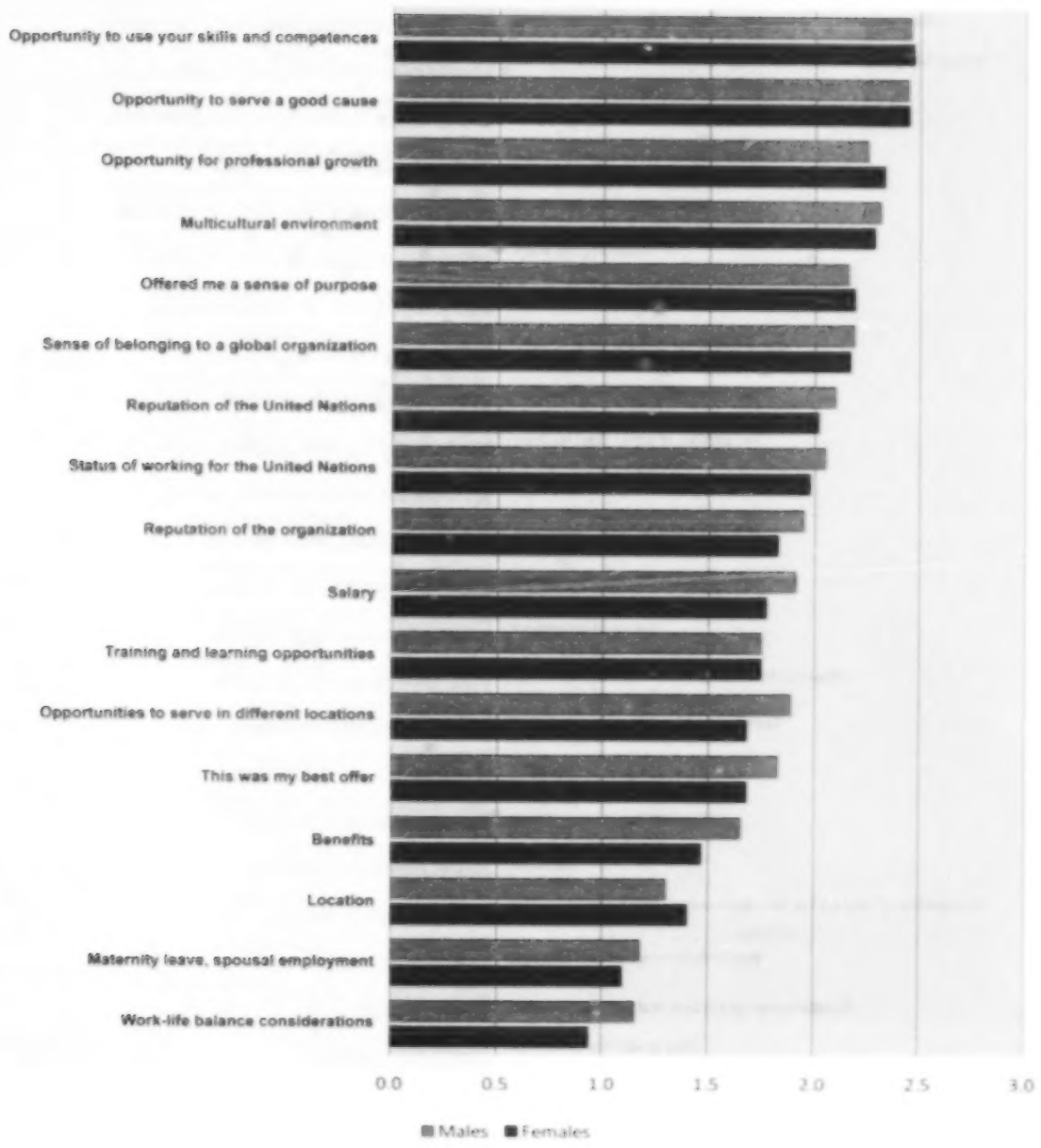


Figure 4
Reasons to stay
Difficult duty stations
by gender

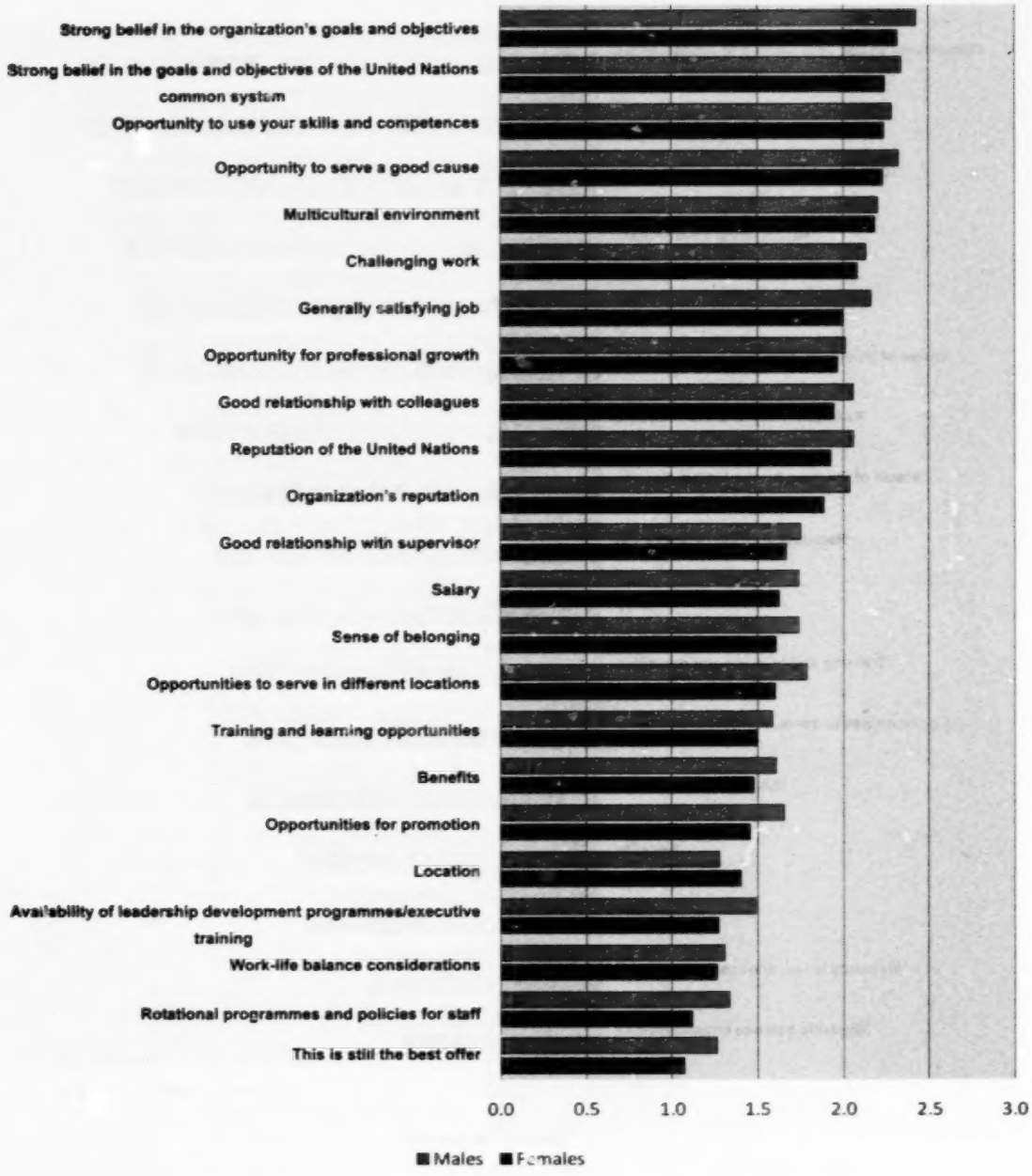
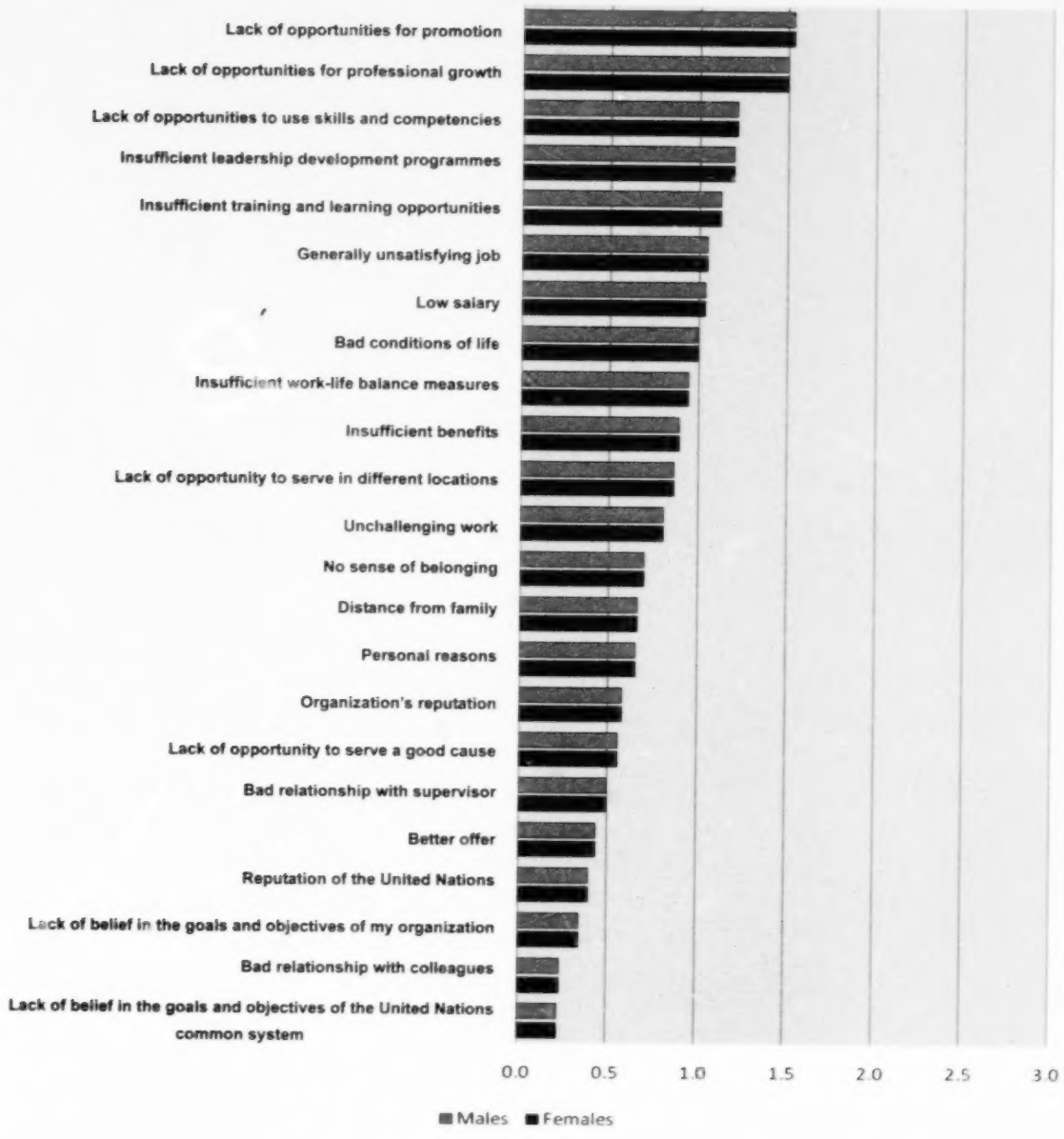


Figure 5
Reasons to leave
Difficult duty stations
by gender



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